

John Gilchrist · Brian Fitzgerald *Editors*

# Copyright, Property and the Social Contract

The Reconceptualisation of Copyright



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# Foreword<sup>1</sup>

This volume of carefully curated contributions from a diverse and distinguished range of people provides thoughtful, and groundbreaking, “top-down” overview perspectives which are nicely complemented by “bottom-up” country or specific-issue case studies that link the more exploratory and theoretical contributions to the observed realities and contemporary challenges faced by many smaller and less powerful or less developed countries. Examples of the former are provided by the incisive chapters contributed by Mark Perry, Brian Fitzgerald and Ben Atkinson, to name just those I found most compelling as highly original and seminal contributions to the global debate over the future of copyrights. The accompanying case studies amplify and “ground” the book’s overall themes: the copyright in developing countries, the consequences of subsuming copyrights within the generally accepted understandings of property rights per se and the inadequacy and lack of fairness of the “social contract” now being institutionalised globally through the international harmonisation of copyright laws, which harmonisation is designed and imposed by the dominant IP players controlling the agenda. There is a constant interplay of these themes across each individual chapter, resulting in a cohesive and challenging counterpoint to the enormous opus of books, articles and digests devoted to the minutia of current IP practice.<sup>2</sup>

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<sup>1</sup>Dr Terry Cutler is the Principal of Cutler & Company. He has had an active engagement with IP issues for decades, having sometime chaired Australia’s Industry Research and Development Board; chaired the Australian Government’s Information Policy Advisory Board which, inter alia, successfully advocated the creation of a National Office for the Information Economy; worked with the State Government of Victoria on adopting a policy of open, Creative Commons, status for works covered by Crown Copyright; served as a long-time member of the Board of Australia’s premier public research agency, the Commonwealth Industry and Scientific Research Organisation, and latterly as deputy chairman; and in 2008 was commissioned by the Australian Government to chair a review of the National Innovation System. He has also advised on IP law and practice in countries in Southeast Asia and South America.

<sup>2</sup>I continue to be swamped with regular catalogues of new works on intellectual property from publishers who obviously see a strong market in the ever-growing army of IP lawyers and service providers in this domain, and by web bulletins such as Mondaq which weekly chronicle the most

The contributions from both Adebambo Adewopo and Kunle Ola highlight the importance and utility of open access to knowledge as an essential tool for development in less developed countries. This is an important reminder of the consequences of the extensive scope creep evident in copyright law, and the subsumption of traditional notions of authorship within the expanding domain of information management and control, with each element of copyright protected material being argued in terms generalised to the whole expanded field of “copyright industries” rather than examined in terms of their own specificities. There is a world of difference between a book, a film and the terabytes of data and accumulated knowledge sitting within proprietary information repositories and databanks.<sup>3</sup> We need, however, to note that development is not just an issue for low-income countries, but is central to policies for innovation and economic and social renewal in *all* countries, especially small country economies even if they are advanced materially. Trade imbalances in the flows of intellectual property are commonly linked to unfavourable terms of trade for all small country economies.<sup>4</sup> Knowledge builds on knowledge, and if the foundational knowledge on which we seek to build is hard to access, or overly costly and involves complex transactions, then less and poorer building will eventuate.

Anglo-American intellectual property law regimes now actively pursue the international harmonisation of IP law, unlike other areas of law where distinctive regimes have remained entrenched (such as the diffidence between Anglophone common law traditions and European codes tracing back to the Napoleonic Codes). Former colonies, like Australia and Indonesia and the countries of South America, began their colonial settlement within the legal frameworks and constraints of their respective imperial powers, whether Dutch, English, Spanish or French. These legacies persist. It is noteworthy that the greatest resistance to Anglo-American models has come from regions like Indonesia and South America in general; China in North Asia is now charting its own somewhat independent course with, of course, a widening sphere of influence in largely Southern hemisphere, less developed countries. China could, hopefully, become the counterpoint to the present global hegemony exercised principally by the United States.

Mark Perry notes that it is “extremely hard, or pointless, for (small) nations to attempt to change the course of global harmonisation when such policy directions in intellectual property are driven by economic juggernauts”. Hence, many small nations feel left with little choice but to see how they can create local variations

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recent regulatory and case law developments: the bulletins are exhaustingly comprehensive and could have been curated by robotics. Nonetheless, I confess to reading them for the occasional grain of wheat amongst the chaff.

<sup>3</sup>This can create a tension between the rival claims for open access to knowledge as an essential tool for economic development and national well-being (such as in access to advances in health and education), and a proper regard for empowering and protecting local cultural expression and traditional art forms and practices from expropriation.

<sup>4</sup>For Australia’s trade imbalances, see Australia Government, *Trade in Services Australia, 2015–2016*, Department of Foreign Affairs and Trade, March 2017.

within the constraints of a dominant and hegemonic framework. Where good principles and outcomes are subverted by the self-interest of others, however, thoughtful and well-articulated collective action can hopefully effect change.

The debates, and the options for change and reform, have become bifurcated between the so-called creative industries (an industrial development policy focus now much in vogue) and those who adopt the term “copyright industries” to focus on the ever-growing dominance of such “noncreative” works as information and data industries within the IP agenda, and the stakes here are even higher for less developed or small country economies in terms of “access to knowledge”.

It is one thing to focus on legal harmonisation, but the corollary is to look at how this translates into the underlying realities of the terms of trade between countries where there is an embedded structural imbalance in trade flows and in the ability of small country economies to achieve even slightly favourable terms of trade. This affects small, advanced, economies like Australia as much as less developed countries. For example, if countries like Australia contribute some 2% of the world’s advances in knowledge and innovation, how best can they access and apply efficiently and economically the 80% or more of IP generated elsewhere? Australia has almost always been a net importer of copyright material and, moreover, of the reproduction of communications general-purpose technologies which underpin access to, and use of, copyright materials.

John Gilchrist reminds us that before the mid-twentieth century, the United States remained a net importer of copyright goods; since then, it has become the dominant copyright exporter. As Gilchrist comments, the United States “is the world’s largest and wealthiest economy and is presently a self-interested guardian of the international copyright establishment”. Over history, the United States moved from being a free rider to hegemony over IP. The implied social contract has shifted from a focus on the local dissemination of and access to creative works and knowledge to one of “making America great” and powerful on the world stage for the economic benefit of its own people and the competitiveness of US industries in a digital information age.

One of the great ironies in the role of the United States in instituting an internationalised legal straight jacket under the mantra of the global harmonisation of IP law lies in the anomaly that within the United States itself, there is a wide and expanding set of limitations and exceptions to black letter IP law which have been neither encouraged or supported elsewhere in the world. It is their open-ended and adaptable judicial approach to “fair use” and “safe harbours” which have enabled the emergence of new business models for knowledge and information dissemination, classically represented by the rise of Google as an access-based business model for knowledge flows. Brian Fitzgerald’s chapter highlights the turning point that this transformation of business models may represent.

Fitzgerald identifies the innovative and remunerative new business models of a digital era which can be facilitated and expanded through forward-looking judicial interpretations of copyright law. He anticipates a shift from traditional licencing models to a business model which monetises the value of public access to works through sharing the revenues of the new “access provider”—like Google—and the

copyright owner. This would be a disruptive shift in copyright markets and a transformational change for users in terms of access to information. Like all disruptive innovation, the main obstructionists will be the entrenched service industry of IP lawyers for hire. Nonetheless, the new “access-based” business models Fitzgerald analyses are the future marketplace in a digital world and, for the first time, put users and their interests at the centre rather than the sidelines.

It is somewhat ironic that it is commercial interests like Google which have emerged as a powerful and countervailing voice to the traditional “Hollywood” lobbies in the copyright debate. Ubiquitous digital communications shifts our focus from “reproduction” to access. (Background reproduction remains nonetheless fundamental to the business model of a Google and its digital counterparts.) The user protections for copyright users in the United States—its flexible and open-ended fair use provisions and the principle of safe harbour for online intermediaries—have enabled companies like Google to establish viable business models without becoming entangled in the thickets of copyright licencing. In the United States, Courts have legitimised the business models of companies like Google; regrettably, this is one aspect of an emerging copyright revolution that has not yet been replicated elsewhere in the world despite the valuable and ongoing work of Google in proselytizing the need for change.

Not only is IP explicitly carved out from general competition law in countries like Australia but also, by default, from consumer protection law. Pappalardo and Brough note that traditionally the interests of users, the public, have been relegated to the sidelines in IP law. This point is amplified in the chapter by Cheryl Foong addressing a “making available right”, and the vexed question of just who is “the public” for whom copyright works should be available, apart from the distinct and specialised “IP Markets”.

The term “hegemony” occurs frequently in this volume. In a seminal contribution, Ben Atkinson sidesteps the possible knee-jerk aversions to the use of this term (given its association with the radical political theories of people like Gramsci), by addressing the themes of this book through a critique of what others have described as “information feudalism”.<sup>5</sup> Atkinson imports a new term from biology for information feudalism: paratrophic systems. New terminology is always useful as a way of discarding the blinkers that form accretions around conventional terms like “property” and “property rights”. The use of the term property in the context of classes of intellectual capital quickly absorbs the general presumptions about property rights in tangible thing like land, water, and so on<sup>6</sup> and that the owner is entitled to not only exercise control over use but also to demand remuneration for use: a new “right of remuneration”. Property presumes ownership, not a time-limited privilege of a temporary monopoly licence over something. Hence, one author, whose work I admire a great deal, recently gave a speech in which she asserted her perpetual

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<sup>5</sup>Peter Drahos and John Braithwaite, *Information Feudalism: Who Controls the Knowledge Economy?*, Earthscan, 2002.

<sup>6</sup>Atkinson notes that “concepts of property are derived concepts of possessive language”.



rights in copyrights, and for her children and their children, and equated her claims to rights to investments in real estate. To quote her:

Another proposal has been floated by the Productivity Commission to gut the copyright of authors. This would take away my **ownership** of my work of my work after just fifteen years. Copyright currently endures for my lifetime plus 70 years, for my children and theirs. The government's proposal would mean that *Stasiland* ...**would from next year no longer be mine, nor a property of my children**.... If I borrowed money to buy and build a block of apartments, I would expect to own them until I sold them, to get a return from rent, and to be able, if I wished, to bequeath them to my children. The only beneficiary of the proposed copyright change is the Googlesphere, to which would be delivered “free” content – that is to say, my and all other Australian authors’ **expropriated property**.<sup>7</sup> (Emphasis added in bold)

Atkinson notes that a property system is paratrophic, or parasitic to use a closely related term, “to the extent that entry into bargains for rent or other obligations is compulsory or non-voluntary”. He later draws out the uncanny resemblances with the operation of feudal economies in medieval times. What Atkinson’s chapter highlights are the serious consequences of such “information feudalism” in terms of social equity, in rising inequality, representing a very poor social contract imposed by the powerful. To cite his concluding remarks:

...paratrophic action is the harbinger of social inequality, wherever it is found in the world and in whatever form. The paratrophic actor seeks to control and the instrument of control is possession. The more that possession is concentrated the more that are excluded. By defining and accumulating more proprietary rights paratrophic actors disinherit those without proprietary rights. Paratrophic process is immanent in every property system. The [copyright] royalty system is the product of that process. By looking at larger property systems we can identify how the process of concentration and exclusion creates social inequality.

Nor can the impact of intellectual property law on innovation and competition policy be ignored. In a thoughtful conference paper,<sup>8</sup> Leonardo Burlamaqui rightly notes that the crucial issues concerning the relationship among innovation, competition (including competition policies) and intellectual property has been largely unaddressed. This includes the use of IPRs as strategic weapons to create competitive advantage, either through IP swap trades (mutual licensing) or, more insidiously, through a non-licensing policy (or “unproductive entrepreneurship”, to use that phrase coined by Baumol).

Linguistically, once we deploy the term “property rights”, we pigeon hole creative works and information within the same conceptual framework applying to the traditional concepts associated with a right to own and control a property. Not surprisingly, therefore, “unlawful” intrusions into domains defined as property are as

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<sup>7</sup>Address delivered by author Anna Funder on the announcement of the Miles Franklin Shortlist, at the Australian Booksellers’ Association Conference, May 29, 2016, and subsequently submitted as a submission to the Australian Productivity Commission. This current volume provides excellent and compelling rejoinders to such arguments.

<sup>8</sup>Leonardo Burlamaqui, “Intellectual Property, Innovation and Competition: Towards a Schumpeterian Perspective”, Unpublished WIPO conference paper, 2006.

much a criminal act as a matter of civil disobedience, hence the criminalisation of copyright infringers.

Discussions about copyright and IP regimes in general are locked into crusty institutional frameworks which resist change and rethinking and are generally perpetuated through the ability of dominant incumbents to exercise the power of control mechanisms, principally the terms of access and asymmetrical pricing transactions. This is the world of paratrophic information feudalism as described by Ben Atkinson. In such circumstances, as with innovation policy in general, it is usually necessary to step back and reframe the terms of the discussion, including going back to first principles. In this context, I rather like the emergence of the term “knowledge governance”<sup>9</sup> as an overarching concept and framework; in the same way, we need to see intellectual property constructs within the much broader context of how we understand and nurture human capital, in all its multifaceted manifestations, as our primary point of focus and starting point. By approaching the dilemmas, and the undesirable consequences, of much contemporary IP law through the lens of goods and equitable governance, we may find our way towards a new social contract around the promotion and sharing of knowledge. This new social contract will be based on principles of fair dealing, access—including access to what have become “essential facilities” in an information age—and those models of interoperability from the world of telecommunications which underpin interconnection and global connectedness.

This book is a major and invaluable addition to the small, but seldom quoted or seriously considered, corpus of complementary critiques of contemporary copyright and IP regimes in general. Sadly the prevailing hegemonic nature of discourse on the topic has not encouraged widespread and informed public discussion and debate about the important socio-economic issues at stake. This underlines the importance and timeliness of this volume edited—nay curated and carefully peer reviewed—by John Gilchrist and Brian Fitzgerald.

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Williamstown, VIC, Australia

Terry Cutler

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<sup>9</sup>Leonardo Burlamaqui, Anna Castro and Rainer Kattel (eds.), *Knowledge Governance: Reasserting the Public Interest*, Anthem Press, 2012.

# Preface

This edited collection of papers on copyright law is intended for a worldwide audience and provides international perspectives in relation to the following three themes:

- Copyright and developing countries
- The government and copyright
- Technology and the future of copyright

The last theme includes an examination of how far technology will dictate the development of the law and a re-examination of the role of copyright in encouraging innovation and creativity. As a critique, one paper looks at the function that rights under the copyright royalty system play in the creation of social inequality.

Underlying these themes is the role the law of copyright has in encouraging, or impeding, human flourishing.

The contributors to the collection are based in various parts of the world—Scotland, United Arab Emirates, Nigeria and Australia. Four Australian-based contributors have roots (i.e. were brought up in and have had professional lives) in other countries—Germany, England, Nigeria, Japan and Palestine.

The needs of developing countries in accessing copyright material have been at the centre of an ongoing international debate since the Paris revisions of the then two major multilateral copyright conventions, the Berne Convention and the Universal Copyright Convention in 1971. The debate has since strengthened and created a division in the world copyright community. The focus of the debate is over the role of copyright in limiting access to informational material of importance to national development and the extent of limitations and exceptions to copyright recognized by the international conventions and national laws.

One overwhelming concern in the law, both internationally and nationally, is that the category of protected “works” embraces a wide field of literary works covering the scientific, medical, health, education, technical and other informational fields to which developing countries have less practical access because they cannot afford, or do not have the resources, to do so.

That in turn impedes their development.

This wide field of literary works covers informational (or knowledge-based) works as well as a host of creative works such as fiction and poetry and more mundane things such as manuals, instruction booklets and codes. The field has been expressly widened over the last three decades to include computer software. Similarly, over the last three decades, the term of copyright protection for literary works has increased under many national laws from life of the author plus 50 years to life plus 70 years.

There is no separate category of informational works recognized under the major international copyright conventions or under most national laws, and accordingly there is no separate treatment of these works under international and national laws. Several papers in this collection provide important perspectives on the need for greater access to information and knowledge and the importance of this to the broader development of countries. Should copyright protection be perceived to be a barrier to development, or as one contributor has put it, carry with it a fear that copyright will be used by foreign parties for purposes that are not conducive to development? At another level, as another contributor has stated, has the development of copyright become too preoccupied with “a property for who” rather than “a property for what”?

Another compelling reason for greater access to copyright material is the benefit to society through stronger encouragement to creativity and innovation. As the director-general of the World Intellectual Property Organisation has stated, “Copyright should be about promoting cultural dynamism, not preserving or promoting vested business interests... We need to speak less in terms of piracy and more in terms of the threat to the financial viability of culture in the twenty-first century, because it is this which is at risk if we do not have an effective, properly balanced copyright policy”.

Much has been made of the fact that Google would not have prospered in many of its activities were it not for a flexible basis of defence to infringement under US federal law. The Australian Law Reform Commission (ALRC) has outlined what could be done legally under the fair use defence under the US *Copyright Act 1976* and which would at the same time be an infringement under the Australian *Copyright Act 1968* because it would be outside of the more restrictive fair dealing defences under that Act. One paper comments on the comparative inequity of this for Australian users of US copyright material. The ALRC recommended the adoption of the doctrine of fair use in Australian copyright law. Another paper in this collection discusses the merits and demerits of the adoption of the concept of fair use in the United Arab Emirates. Another paper specifically examines the influence of Google on copyright law and policy.

The encouragement of creativity and innovation is not a new factor lying behind the development of copyright. Today, in the information age where access to information, creative and other material and the exchange of information and ideas are communicated worldwide, this notion, expressed as cultural theory, has achieved prominence over other theories touted in support of copyright law. Access to copyright material stimulates creativity and lies at the heart of cultural theory. Various chapters examine access as a revenue model and access from the perspectives of

intermediaries and users. One chapter examines the legal consequences of the digitisation of cultural heritage institutions' archives and of access to those images.

Policy behind national copyright laws should clearly support the creative and innovative outputs of its own citizens and residents. At the same time, this policy is being undermined through the establishment of a direct contractual nexus between copyright owners and users of copyright material. For example, as a result of worldwide electronic communication, publishers can now directly impose rigorous contractual limitations internationally on access to copyright material which subvert copyright limitations and exceptions.

International convention countries are required to protect the works of authors of other countries as they do their own. As a corollary to this principle, there should be equity across boundaries in the light of the internationalization of the exploitation of copyright material. The Berne Convention and other international conventions in the broadest way seek to achieve this. A clearer way of achieving equity across boundaries and ameliorating some access issues would be to insert in national laws what has been termed the "Richardson's Beach" defence. That is, for example, under the copyright law of Australia, there should be a defence to infringement of a work if the act concerned was not an infringement in the country of origin of the work. This would also aid the flexibility of some national laws. Another measure which has been recommended in various national jurisdictions is to outlaw contractual attempts to limit defences under national copyright laws, that is, to determine the balance of interests under law between owners of copyright and users of copyright material solely through copyright policy. That balance should seek to advance each nation's wider social and economic well-being.

These are some of the ideas which are discussed in the papers of this collection.

The editors hope you will be stimulated and encouraged to contribute in the debate about the development of copyright. The editors are most grateful that Dr Terry Cutler, a distinguished Australian, has contributed the foreword to this collection. Dr Cutler has been the Chair of several Australian Government inquiries concerning, or relating to, access to public sector information and has been and is, a consultant to a number of foreign governments and government instrumentalities.

Melbourne, VIC, Australia  
Brisbane, QLD, Australia  
30 May 2017

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# Contents

## Part I Copyright and Developing Countries

<b>Copyright Legacy and Developing Countries: Important Lessons for Nigeria's Emerging Copyright Reform. ....</b>	<b>3</b>
Adebambo Adewopo	

<b>Embracing Open Policies to Enable Access to Information: The Edo State Open Data Portal. ....</b>	<b>27</b>
Kunle Ola	

<b>Copyright in the Palestinian Territories: Setting the Scene . . . . .</b>	<b>45</b>
Rawan Al-Tamimi	

<b>Copyright Law in Indonesia: From a Hybrid to an Endogenous System? . . . . .</b>	<b>73</b>
Christoph Antons	

<b>Copyright and (Dis)harmonisation: Can Developing Nations Prioritise Their Own Public Good in a Global Copyright Hegemony? . . . . .</b>	<b>89</b>
Mark Perry	

## Part II Government and Copyright

<b>Australia-US Copyright Relations: An Unhurried View of the Reciprocal Protection of Literary Works. ....</b>	<b>105</b>
John Gilchrist	

<b>The Adoption of the American Model of Fair Use in the UAE Copyright Law . . . . .</b>	<b>137</b>
Rami Olwan	

<b>Digitising the Public Domain: Non Original Photographs in Comparative EU Copyright Law. ....</b>	<b>157</b>
Thomas Margoni	

### **Part III Copyright, Technology and the Future**

<b>Copyright in the Age of Access</b> .....	183
Brian Fitzgerald	
<b>The Royalties System and Paratrophic Copyright</b> .....	193
Benedict Atkinson	
<b>Copyright According to Google</b> .....	227
Joanne Gray	
<b>Dead Cats in the Mail: <i>Dallas Buyers Club</i> and the Emergence of the User in Australian Intermediary Copyright Law</b> .....	241
Kylie Pappalardo and Carrick Brough	
<b>The Making Available Right: Problems with “the Public”</b> .....	265
Cheryl Foong	
<b>Afterword</b> .....	287
John Gilchrist	

**Part I**  
**Copyright and Developing Countries**



# Copyright Legacy and Developing Countries: Important Lessons for Nigeria's Emerging Copyright Reform



Adebambo Adewopo

## 1 Introduction

The relationship between copyright and development as it affects developing countries has always been dynamic and deeply intertwined. First, IP and copyright is a development issue that has continually engaged the global community for a long time. Secondly, technological development has also played a key role in the relationship. Successive technological advances particularly ICT and Internet in their transformative impact on access to and dissemination of information have further reinforced the need to evaluate the balance of copyright law in maintaining global public good or interest. Thirdly, the emergent global IP system in its diversity and complexity has not only helped to shape IP laws but also the role of copyright in particular in the pursuit of key development objectives and goals in many developing countries. The discussion of copyright and development therefore has always been topical as it is engaging.

This chapter examines the development role and impact of copyright in developing countries. This is significant considering the consensus of opinion that copyright plays a crucial role in development. In three essential respects, the chapter identifies the five-century evolution of the copyright system as providing the historical and conceptual background in which to interrogate that role; First, the philosophical rationale which underpins copyright law; secondly, the impact of technological changes; and thirdly, the emergence of an international copyright law, all of which have progressively shaped the character of modern copyright law as we know today both as an instrument of incentivising private rights as well as promoting access to creative works. In examining the role, the chapter considers whether copyright's fundamental objectives fulfil the public interest imperatives in the form of access to

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key development indices such as access to knowledge, information, education and other related goals that have engaged the contemporary development debate.

The chapter argues that the social and economic development in Nigeria and other developing countries are undermined if their populations are denied open access to copyright materials. The current access to knowledge mantra is the culmination of decades of a strong push for the enhanced development function of copyright law. The chapter highlights the efforts of international copyright law through its norm-setting and other initiatives including the Development Agenda (DA) to address the challenges in the copyright's role in promoting the much-needed access to knowledge in developing countries. The chapter posits that the development function of copyright law is best realised in its ability to provide the framework for effectively maintaining access to knowledge and information. For a developing country like Nigeria, it is crucial for the existing copyright law to maintain a careful balance of private rights and public interest and it is even more important that the emerging copyright reform meets the fundamental objectives and role of the copyright system particularly in the current digital environment.

## **2 Revisiting the Foundations of Intellectual Property Through the Lens of Development**

It has always been the central and philosophical rationale and goal that underpins copyright law to function as the legal mechanism for the protection and regulation of creativity and the rights over creativity. If that was never in doubt, it was because copyright has effectively captured the core of human ingenuity and constructed a formidable edifice that has taken 500 years to evolve. From the original literary and printed works, sound recording and audio-visual works and to the present-day digital works, copyright has proven to maintain that objective, although not without the well known challenges that have informed its normative expansion, for example, in relation to the subject matter of protection and associated rights. Ultimately, the true test of its relevance has remained in the realm of its significance to development imperatives that has defined the emergent global policy standards.

The discussion about IP and development has been one of the most engaging debates since the 1960s. As the knowledge based economy intensifies, so has the global divide of development deepened largely as a result of lack of access to knowledge by the least developed and developing countries. The transition to a knowledge-based economy has helped to push the frontiers of development inexorably, but this has mostly occurred within the circle of the developed nations through enhanced capacities for the production of global knowledge assets. However, development as a concept of a universal standard is crucial for both developing and developed countries. It is also crucial for developing countries on account of their development aspirations and potentials but they have been mostly unable to overcome the challenges of development with its many facets. Some of them with

relatively huge populations require huge resources for a large number of people for the provision of essential needs such as food, shelter, energy, education and others for optimal existence. It is important to note that contemporary thinking has placed development beyond the classical theory of economic growth often interpreted in a GDP index. A more expansive view of development encompasses the wider social, cultural, political and human development dimensions, which are the ingredients for the promotion and fulfilment of human potential.<sup>1</sup>

Human development captures the totality of the 'capabilities' that enables the fulfilment of human values, freedom and welfare, which are not particularly factored in a strict economic construct. To this, IP as a legal mechanism for the regulation of knowledge is implicitly woven, for example, to ensure that the level for the protection and access to knowledge products that are relevant to a basic livelihood such as education, information, new technologies inclusive of health care and are in the right measure. This linkage has been reinforced in more recent literature and has had tremendous influence on the relationship between development and IPR protection.<sup>2</sup> IP comprising copyright, patents and trademarks, as the products of knowledge are part of the conditions and enabling policy environment for their production and distribution and are therefore critical to development. Like its patent counterpart in the IP triumvirate, the role of copyright is explained first of all by the objective of access to education and technologies, among other development imperatives that are important to developing countries. Copyright industries as the engine of creativity help to generate revenue, provide jobs and create wealth, promote social welfare, cultural heritage and technological access, and these are all of part of the wider development imperatives in which copyright is discussed. As long as creativity and innovation remains the key underlying drivers of development, the copyright system continues to feature prominently in the debate of development and implementation of appropriate IP policies and strategies for achieving development especially for developing countries, who are now more than before determined to rein in available opportunities in the information era.

Since the Paris and Berne Conventions, the two 'cornerstone IP Conventions',<sup>3</sup> the international IP space has persistently sought balance, equity and efficiency in the protection of knowledge and creative endeavours and for more than a century of IP at the national, international and global levels, the debate has consistently focussed on how to foster a suitable IP system that would advance the development needs of developing countries. Copyright has not remained the same with the remarkable changes that have taken place since the Berne Convention in the development of a substantive international copyright law through diverse multilateral agreements, regimes and institutions that have increasingly defined the developmental role of copyright. Right from the early stages, the idea of international IP

<sup>1</sup> Dutfield and Suthersanen (2008), p. 272.

<sup>2</sup> See generally Sen (1983), pp. 745–762; Sen (1984); Sen (1985a), pp. 169–221; Sen (1985b).

<sup>3</sup> Paris Convention for the Protection of Industrial Property, Mar 20 1883, 21 UST 1583, 828 UNTS 305; Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, 1161 UNTS 3.

was conscious of the role of the IP system as a strategic instrument for development for developing countries. Since the formation of WIPO, copyright has witnessed protracted political and legal evolution in the norm making processes.

It is on record that the era that gave birth to WIPO was attended by the 'controversy of how IP would impact the developing world.'<sup>4</sup> Indeed, it was clear that the idea of a suitable IP protection that would serve the ideals of development and public interest was part of the incipient international IP system. Expressed in its founding instrument 'to promote the protection of intellectual property throughout the world through cooperation among states and where appropriate, in collaboration with any other international organisation,'<sup>5</sup> it is not difficult to understand that development was conceived as part of its original objectives. Beyond WIPO, development has also assumed the dominant position in the major international political, cultural and economic instruments and regimes including, among others, UNESCO, CBD, WHO, UNEP and the International Bill of Rights.

With the emergence of WTO, the linkage of IP with trade in the TRIPs Agreement marked the second phase in the relationship of IP and development. TRIPs marked a watershed in the global rules of IP and quickly overshadowed the existing international IP system largely as a result of globalisation and the new global trade regime brought about under the WTO. By far, TRIPs defined the conditions for the use of IPR in which developing countries may engage in the pursuit of strategic development objectives. It masterminded the global economic era for the production and distribution of knowledge goods and in which much of the discussions of IP and development became confined almost exclusively. The effect was that as long as development was confined within the prism of economic growth, the role of IP focused on national GDP, revenue, investment, job creation and related macro-economic indices, and not the wider social, cultural and technological development. In that narrative, many studies and reports explained the need to integrate IP into national economic planning and TRIPs dictated the parameters in which to formulate national IP policies.

However, as the controversy around TRIPs grew, more space began to open for scholars and policy makers to redefine the conception of development more expansively. It also brought about renewed insights in the notion of public welfare as an ideal of development and the already shadowed image of the works of experts and economists such as Amartya Sen and others began to shed more light not only on the ramifications of development but also on the impact of IP. At the current global stage and largely influenced by the emergent debate on access to knowledge, IP and its relationship with development appears to have been restored and fully engaged in the ongoing global debate on the future of copyright in the information age. The growing realisation of the lost ground has brought about a more intense juxtaposition of IP and development defined in its widest possible applications to the

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<sup>4</sup>Halbert (2007), pp. 253, 262.

<sup>5</sup>See Convention Establishing WIPO (Stockholm) 14 July 1967 as amended September 1979, Article 3.

political, social, cultural and technological concerns of developing countries who are at the receiving end of the global knowledge equation. With development as a 'fundamental right' and every country entitled to the 'right to development,'<sup>6</sup> IP lies at the core of the development aspiration in many critical sectors such as education, health, technology, agriculture and of course trade, among others. In this renewed era, the two major IP institutions, WIPO and WTO have launched the Development Agenda, to establish the beneficial role of IP in realising development in its holistic form as against the trade-driven dominance of TRIPs. That perspective has added to the already rich discussion of the history and impact of TRIPs. The series of discussion that has ensued have explored the multi-dimensional implication of IP and development, be it in promoting access to education, to medicines, to technologies or in the preservation of cultural industries and consequently defined the neo-liberal era of TRIPs in the development debate.

IP therefore means much more than the private rights, the incentives or the monopoly the bundle of rights confers on IPR holders. The protection of rights encompasses the wider social gain and public interest in making those works available for consumption and for creating more works for the benefit of the society. Consequently, the significance of IP to developing countries constructs a far more powerful socio-economic and cultural logic in a transnational legal order and is faced with the challenges of establishing development as a global public good. That challenge portends greater implications for the existing state of the world's most vulnerable populations located in both the least developed and developing axis as they grapple with accessing the basic amenities of life such as food, medicines, education, knowledge, technology, among others. Moreover, the role of copyright and more generally IP have continued to be defined in the least developed and developing countries through addressing the basic conditions for providing adequate access to education, health and food, human rights, cultural heritage and safe environment for future generations. IP therefore lies at the core of the right to development just as development is at the core of the goals of IP. This thinking has reflected in the recent reports of institutions like the UNDP, UNCTAD, ICTSD, among others, in the development analysis of countries.<sup>7</sup> More particularly, it provides the foundation and the tenets that have defined the emergent global development objectives and goals.<sup>8</sup>

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<sup>6</sup>References to Right to development (RtD), first proclaimed in 1986, can be found in all major UN documents. It was first adopted at the 1993 Vienna World Conference on Human Rights (Vienna Declaration). See para 10, Vienna Declaration and Programme of Action. ("The World Conference on Human Rights reaffirms the right to development, as established in the Declaration on the Right to Development, as a universal and inalienable right and an integral part of fundamental human rights." (A/CONF.157/23)). RtD, which connotes a dualistic and rights-based approach to development, aims at the development of individual persons and peoples on a national and international level See Kirchmeier (2006).

<sup>7</sup>See UNDP Human Development Reports available at [www.undp.int](http://www.undp.int). See also UNCTAD Economic Development in Africa Series; and also Least Developed Countries (LDC) Reports available at [www.unctad.org](http://www.unctad.org).

<sup>8</sup>Chon (2007), p. 803.

Within the framework of IP, both WIPO and WTO have launched their respective Development Agenda to define and promote the functions of IP as the framework for access to development such as education, health, technology, agriculture, among others. Without prejudice to the imperative of economic growth, the realisation and significance of human development in contemporary analysis has reinforced the role of IP institutions such as copyright in regulating access to knowledge in the specific areas of education, new technologies and the growth of cultural industries. That linkage reflects the grounded theory for the discussion of the role of copyright in developing countries. In principle, the copyright system provides the means for attaining the goal of development and in doing so, has built on the legacy of the global political economy that has continued to sustain its relevance and significance in the attainment of that goal.

Copyright as a type of IP is deeply embedded in the social fabric of the society. Although, as part of the IP private right system that protects knowledge exclusively, copyright ensures the promotion of the wider public interest objectives. Hence, in the current perspective, both protecting knowledge and public interest are the critical parts of reconciling the role of copyright in developing countries. The legal and practical implications of the copyright system or policies as a whole have far reaching effects on human development priorities and in determining access to information and educational materials, technology and the maintenance of human rights and cultural heritage, which are important building blocks for a civilised and a progressive population. Therefore, current thinking appears to suggest that the impact of copyright policy is not limited to economic growth.<sup>9</sup> To that extent, it is important to appreciate the wider breath of the impact in the discussion of the role of copyright in developing countries which are at the cross roads of reforming their systems and institutions in achieving the goal of desired human development.

Three aspects of the foundation of copyright are germane and have far reaching impact on its relationship with the concept of development as espoused above. The first is the philosophical justification, which underpins copyright protection. As the first legacy, copyright theory lies squarely on the foundation laid from the inception based on the philosophical and theoretical justifications that underpins copyright as the legal mechanism for the protection of creators or authors in their creative work. It raises the critical question whether the trajectory of the copyright system has faithfully maintained the original conception and how the expanding matrix has impacted the continued relevance and significance of copyright to knowledge creation and access.

Promotion of creativity has always remained the primary occupation of copyright. Although the breadth of the creative works' eligible for copyright have expanded inexorably, which in itself is part of the basis for examining the role of modern copyright law, protection was assumed in order to encourage various genres of human creativity. From the standpoint of legal history, it is important to note that copyright was not solely conceived as a matter of deliberately designed incentive

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<sup>9</sup>See Wong and Dutfield (2011), p. 4.

policy upon which the dominant economic analysis of copyright has been built. Today, through the systematic expansion of rights, copyright covers the widest possible areas of creativity and have expanded in nature and scope for most part of the last century of copyright law. The emergence of ICT, the Internet and the digital revolution have brought copyright to the crossroads and challenged its role in development particularly for developing countries.

From humble beginnings, it was evident that John Locke's political theory of property greatly influenced the philosophical justification for protecting property rights in books under the copyright law. It situates the copyright system on the fundamental premise that

Everyman has a property in his own person... the labour of his body, and the work of his hands...are properly his...for this labour being the unquestionable property of the labourer, no man he can have a right to what that is once joined to at least where there is enough, and as good, left in common for others.<sup>10</sup>

Subsequently, legal historians have developed a constellation of justifications for copyright, ranging from moral rights, natural law, economic or utilitarian, public interest or policy, among others, which has shaped the evolution and the underpinning principles of copyright law. The rationale of providing rights for the creator in the original creation carries it with the accompanying notion of ensuring dissemination of the creation for the public benefit. Those twin theories underpin copyright protection.

Fundamentally, copyright philosophy in extending rights to intellectual creation is predicated on maintaining public good; in protecting and granting rights on creators and authors for creating works, consumers are assured of access to the works and that the works are available to benefit the society at large. However, this original concept has not been tenaciously pursued in the structure of international copyright law, which has focussed on IP as essentially the exclusive right of authors. Protection and access are therefore the dual public interest functions of the copyright system.<sup>11</sup> In sum, the utilitarian and economic doctrine has primarily captured the entire copyright system defining both private and public space, and has thereby fuelled the apparent contradictions that have characterised the copyright system in its development functions. This accounts for the reason developing countries continue to struggle with copyright for the promotion of creativity despite the abundance of creativity to supply its cultural industries. Whether in observance or in breach, the underlying copyright philosophy for public interest has tenaciously remained the foundation of legacies upon which the copyright system has been built.

The second legacy is the impact of technological changes in the diffusion of creative works on copyright. This can be explained in copyright's long-standing relationship with technology and the successive technological advances since the advent of the printing press, which originally gave birth to the first copyright law

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<sup>10</sup> Locke (1690).

<sup>11</sup> See Okediji (2006), p. ix.



leading to the current information communication technology era.<sup>12</sup> The technological foundation addresses the impact of technology on the evolution of the current copyright norms. That perspective relates to how copyright has responded to technological changes and the direction of copyright reform in developing countries in the digital era.

Copyright has strong historical roots in technology and it is important that it continues to serve its purposes in successive technological advances particularly in the current era of the Internet and digital revolution. Three waves of technological development have accompanied the evolution of copyright law. The first was with the advent of printing technology for publishing of books, which pioneered the grant of book privileges to printers and publishers against unauthorised publication and from which began a complex system of rights that would later provide the incentive and reward for authors in order to sustain the cycle of creativity as the goal of modern copyright system. This was followed by the second era of reproduction technologies in the twentieth century. In the second era, copyright developed the framework for the existing technological stage with the extension of protection beyond print-based works to sound recordings and cinematographic works. By the later twentieth century, the third technological wave was ushered in with computer technology, information communication technologies (ICT), the Internet and digital revolutions, which have continued to exert considerable pressure on the character of copyright law in the nature and scope of subject matter and associated rights, the framework for administration and enforcement of rights, among others.

In response to the information era, it was necessary for copyright to adapt its rules to ensure that creative works are protected and disseminated in the most efficient manner in order to protect creativity and the same time promote access to those works. With the digital technology, the floodgate of unmitigated access occasioned in the digital environment has raised important concerns and led to the adoption of new technological protection measures, which itself has given rise to the concerns of locking up valuable information needed to promote public and optimal access to the vast educational and knowledge resources in the Internet, particularly for developing countries with the critical need for the access for developmental purposes. Facing the challenges of access, the result has produced new rules and measures, for example, new digital 'rights of making available', the regulation of technological protection measures and digital rights management and secondary liability relating to ISP providers under emergent copyright instruments both at an international and national level. It is again important to note that copyright has always found its niche but it is more important to examine how developing countries find their own niche in designing appropriate copyright policy or adjusting their copyright system to address these challenges in order to serve the goals of access to knowledge, education and the promotion of cultural heritage.

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<sup>12</sup> The first Copyright Statute is the English Statute of Anne 1709/10.



Thirdly is the emergence of substantive international copyright law with the Berne Convention of 1886 in combination with subsequent international instruments such as the Rome Convention 1961, and particularly the TRIPs agreement 1994, which has established the wider IP regime complex. This important aspect of the copyright legacy addresses the entry of copyright law from the original territorial or national phase into the international and global era and the impact of the emergent international copyright law on the development of copyright law globally and with particular respect to developing countries. The Berne Convention provided the supranational political and legal framework for the regulation of copyright beyond territorial boundaries with the emergence of trans-border movement and liberalisation of trade in copyright goods and accompanying multilateral cooperation.<sup>13</sup> For over a century, this principal Convention, originally signed by ten signatory countries mostly colonial powers, which included two African countries, Liberia and Tunisia,<sup>14</sup> primarily defined the contours of international copyright law coupled with successive revisions and accompanying multilateral treaties and agreements.

With the advent of globalisation and the TRIPs Agreement in 1994, copyright fully entered into a global stage and assumed important features, which has continued to define its role in meeting the development needs such as access to information and education in developing countries. Particularly definitive to the question of development are the rapid expansion and heightened standards of copyright and other IP rights, regime proliferation and the linkage with trade and other crucial development imperatives. TRIPs, the result of the Uruguay Round of trade negotiations by over 150 nations, 'profoundly altered the nature, scope and economic consequences of international intellectual property regulation' with serious effect on the role of copyright in particular in the promotion of public welfare and the level and cost of access to protected works necessary for development.<sup>15</sup> It has stretched the limits of IPRs exponentially. The breath of IPRs has expanded in their nature, tenor and effect.<sup>16</sup> This trend, particularly described by Yochai, Benkler and James Boyle, as an 'enclosure movement' has had far reaching political and normative implications on the development of international IP law and policy.<sup>17</sup>

Significantly, those three developments highlighted above are indeed part and parcel of the legacies of copyright system in its significance to the ramifications of development and provide important perspectives in which to interrogate the role of copyright in developing countries. They present a scenario for a deeper

<sup>13</sup> See Berne Convention for the Protection for Literary and Artistic Works 1886.

<sup>14</sup> The signatory countries include United Kingdom, France, Germany, Belgium, Spain, Italy and Switzerland. Others include Haiti, Liberia and Tunisia.

<sup>15</sup> Okedji (2014), p. 191. Okedji (1999), pp. 117, 149–150.

<sup>16</sup> Landes and Posner (2004), pp. 1–4.

<sup>17</sup> Benkler (1999), p. 354; Boyle (2003), p. 3.

understanding of the pragmatic relationships of the role of copyright in the emerging development narrative of access to knowledge and the ICT revolution.<sup>18</sup>

In sum, the global copyright rules have undermined the role that copyright should serve in fostering development among developing countries, particularly the imperative of access to knowledge in meeting critical educational and technological development needs. With WIPO and WTO and their respective instruments for the regulation and administration of IPRs and in particular the Development Agenda, there has been great doubt whether the copyright system has achieved its development role. International copyright law may well be at the crossroads in the redefinition of its role in developing countries. The emergence of Access to Knowledge, Open Access and other non-proprietary methods of protection are part of this development. It is rather paradoxical that the fundamental copyright rationale that was originally meant to foster public interest and in turn development has been used to promote inequality and disproportionate allocation of rights through the implementation of unbalanced IPRs regimes. Even more paradoxical is the fact that IPR system that has aided the development of developed countries has not produced the same effect in the present generation of developing countries largely because of its particular application of the global prescription, not the system itself.

### **3 Access to Knowledge Imperative: Role in Copyright and Development**

Although, the underlying philosophy in Access to Knowledge (A2K) is not entirely new, it provides a watershed in which to re-negotiate the role of copyright in the developing countries' aspiration for development as the basis in which to benchmark the future of copyright. In 2003, the Geneva Declaration rose with the resounding proclamation that 'Humanity faces a global crises in the governance of

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<sup>18</sup>The development of the human right narrative of IP, which has traversed the landscapes of civil, political, cultural, social and economic rights with their respective international legal texts can be considered as part of the copyright and development debate. From the original UDHR ratified by over 150 nations, which affirmed the protection of creators right in the famous article 27 that "everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he (or she) is the author" to the International Covenant for Civil and Political Rights (ICCPR) and its Social, Cultural and Economic counterpart (ICESCR) coupled with the international human right system, the interface of IPR and human rights has been mapped. The Paris, Berne and Rome Convention including the more recent TRIPs agreement neither link or connect IPR with human rights nor refer to them as 'right' in the context of human rights. Thus, the jurisprudential divergence of the trio legal regimes were apparent, largely result in major concerns of IP regime in the gradual expansion of IPR found in the revisions in the existing multilateral conventions coupled with the linkage between IPR and trade specifically under the TRIPs agreement. Part of that development that prospered the isolation of an IPR has given way to the increasing association and linkage of the two regimes. The expanding matrix of both human right and IP system converged at some point.

knowledge technology and culture',<sup>19</sup> the firing statement that stoke the embers of what has become known as A2K. A2K, which originally emerged from the access-to-medicine campaign and its famous Doha Declaration developed from the emerging IP paradigm, presents a remarkable frontier for the goal of achieving more balanced 'IP and information and communication technology regimes that enables greater access to knowledge.'<sup>20</sup> Subsequently, the A2K Treaty in 2005 and the eventual WIPO Development Agenda in 2007 marked landmark developments in the emergence of A2K.

The A2K movement proceeded on the mantra of access that the 'sharing and strengthening of global knowledge for development can be enhanced by removing barriers to equitable access to information and facilitating access to public domain information'.<sup>21</sup> It aspires to 'promote universal access with equal opportunities for all to scientific knowledge and the creation and dissemination of scientific and technical information, including open access initiatives for scientific publishing.'<sup>22</sup> While access has been aided largely by advances in information technology, the expansion of rights have further secured the tenor of the enclosure. ICT therefore plays a significant role in the capacity of the copyright system to serve the purposes of access to education and technology and align with the objectives of A2K.

Primarily, the A2K concept characterises the concerns of developing countries with respect to development using the instrumentality of creativity and innovation policies under IP law. In seeking flexibilities to IP rules that have fostered high standards in developed countries, it offers viable exceptions and limitations for research and educational purposes and alternative models that would further cement the positive role of copyright that are of immense benefit to developing countries. It recognises traditional IPR as the legal mechanism or regulation for the generation and dissemination of knowledge and rights but also seeks to reinforce its endogenous balancing mechanism for the regulation of IPR. It is therefore neither antithetical to IPR nor does it seek to alter the orthodoxy of IP and its dominance in the development discourse. In substance and form, A2K provide the ideological and pragmatic framework for alignment of the forces of enclosure and access within the IP frame. Without delving into the dialectics of A2K, it is significant to note that the fundamental objective of access is not new or foreign to copyright philosophy, perhaps only the open mechanisms, principles and the nuanced initiatives that have continued to drive the movement.

From the standard point of the conceptual foundation of copyright law, as already elucidated, A2K fits into the parameters of copyright doctrine; that in protecting creators of copyright works, it provides the means of access by consumers to the

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<sup>19</sup> See WSIS Geneva Declaration OF principles 2003 in Document WSIS – 03/GENEVA/Doc/4 E, 117 available online at <http://www.itu.int/net/wsis/docs/geneva/official/dop.html> accessed 10 May 2016. (Geneva Declaration).

<sup>20</sup> See Geneva Declaration at 117.

<sup>21</sup> See WSIS Geneva Declaration, paragraph 25.

<sup>22</sup> See WSIS Geneva Declaration, paragraph 28.

works, thereby serving both the utilitarian and social gains. As Ruth Okediji succinctly puts it.

It is not so much a counter movement but a counter part - what could be described as an integration effort that seeks to legitimise the role of IP in the supply of public goods by ensuring that those goods are meaningfully available to consumers worldwide, accordingly, the strength of the A2K platform in its alignment with intellectual property right owners derives power by being located in a core normative claim of the IP system, namely that the system exists to enhance public welfare. In its purposive mode, then, the A2K movement is a necessary corollary to the expansion of global intellectual property rights.<sup>23</sup>

Central to A2K is the idea of sharing, openness and inclusion as the heart of distributive justice in the concept of access. A2K maintains an autonomous epistemic identity in the overriding IP framework. What has happened in A2K is the co-existence of two mutually related but competing norms within the copyright frame: one arising from the protection and its intensification of property in knowledge carrying the notion of an enclosure' and the other that allows for communication and diffusion of knowledge carrying the notion of access. While an exclusive right system has remained the dominant anchor for IPR, which is not denied by A2K, A2K affirms the mechanism of innovation that does not rely solely on exclusive or proprietary rights. However, in both contexts, the tension between A2K and copyright is more real than apparent.

The influence of A2K in the ensuing international copyright law making is not diminished by the fact that it arose from and is largely driven by non-state actors, although they constitute strong pressure. A2K has actually entrenched itself in the international IP norm setting and declaratory agenda beginning with the formalised text in the Treaty itself and the adoption of the Development Agenda at WIPO since 2007. While the A2K Treaty envisions access to literary and scientific knowledge as the basic necessities and empowerment for the creation of new cultural knowledge,<sup>24</sup> the Development Agenda 'provides the ... dynamism and process for the attainment of the wider socioeconomic, cultural and technological development objectives for developing countries.'<sup>25</sup>

Both events and subsequent developments in the emergent normative reconstruction of international copyright rules provides the context for the role of copyright and A2K in the development of copyright system in ensuring access to education, information and technology by developing countries. It further provides the framework for the discussion of key elements consistent with A2K goals in the emergent international copyright law that are of immense benefit to developing countries in the information age. A2K provides the context for the discussion of the future direction of international copyright law making that would respond favourably to the development needs of developing countries in the critical areas of education, information, technology and culture. Therefore, access to education, access to

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<sup>23</sup> Okediji (2008), pp. 274 at 277.

<sup>24</sup> Sunder (2006), pp. 257, 319.

<sup>25</sup> See Adewopo (2012), p. 43.

information and access to knowledge is central to enlightenment and is the key to human development.

If anything at all, A2K movement proves that the role of copyright in developing countries has not ended in the enclosure movement or the other related narratives in the global knowledge governance complex. Today, the role sits intricately within the A2K rubric without necessarily upsetting the underlying philosophy and goals of the copyright system and in reality helps to achieve an optimal balance between private and public interest.<sup>26</sup> Perhaps more than any other event before it, the A2K movement brought a counter measure to the enclosure momentum, which has been deeply steeped in the tide of expansion of rights and heightened IPR standards and is probably a chilling effect on the high current of international IP policy making which has continued to resonate. The A2K movement provides an interlude in the competing forces for the realisation of development goals of the emergent global knowledge governance order.

Undoubtedly, A2K has featured prominently in the political economy of IP in the last decade or more and sustained under at least two prevailing circumstances that are crucial to its development functions. First, against the backdrop of the impact of TRIPs and its discontent, it has added impetus to the wave of counter movement against the rapid expansion of copyright law that has engaged the last 50 years of international IP law and policy making including copyright. The existing theories of the political economy of copyright law clearly reflect the underpinning philosophy A2K and place the role of copyright in a proper and better-informed perspective. Secondly, against the backdrop of enclosure imposed by IPR and its systematic expansion, A2K has aided a better understanding of the context of development which seeks to 'take into consideration specific socio-economic circumstances and levels of development' of developing countries in the global rules for the regulation of knowledge and knowledge goods.<sup>27</sup> The development of key sectors such as education and cultural industries are therefore of immediate concern.

## 4 The Present Future of Copyright: Developing Countries in Perspective

In a vast body of theoretical and empirical literature, the role of IP generally and copyright particularly in the context of development involves diverse and complex issues, which for most part pertains to the universal knowledge governance model that IP dictates for the developing countries as well as the developed countries counterpart, which are regarded as the world's acclaimed knowledge producers. Today these issues have assumed more complexity for developing countries largely

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<sup>26</sup> See Kaczynski (2008), p. 804. See also Krikovian and Kapczynski (2010) (discussing the framing process, the evolution and operation of AZK as a movement).

<sup>27</sup> See Abdel Latif (2012), p. 99.

because of the rapidly changing geo-political, economic and technological conditions of the last half a century. As the intensity of the knowledge economy grew inexorably with IP as a key driver, so has the pressure on developing countries to comply with the global IPR standards. Fifty years ago, there was neither globalisation nor TRIPs. IP has continued to touch every facet of life determining the regulation and conditions for access to the basic human essentials—ranging from food, drugs, learning and knowledge, just to mention a few.

Regulating the conditions for the production and distribution of knowledge assets is a concern to knowledge producers as much as for knowledge consumers and in any event social equilibrium is maintained in the close proximity and relationship between the two having regard to the need to optimise knowledge diffusion within and across the two divides. In effect, the lines between them are only artificial and both are related to the extent of their respective capacity to produce or diffuse knowledge. The regulation of the production and distribution of knowledge to achieve development has become complex, involving the particularised context and goals of development itself, the nature and type of IP for the protection of knowledge goods and services and the prevailing cultural, social and economic conditions sought to be addressed by the relevant IP regime.

Experts in copyright law have had cause to hazard the future of copyright law using current trends and direction in the multilateral law making processes. Some have predicted gloom while others have been more charitable and optimistic given copyright's longstanding resilience to the impact of persistent economic and technological changes bordering on new methods of production and dissemination of knowledge.<sup>28</sup> We find critical literatures with titles such as 'The Demise of Copyright'<sup>29</sup> or 'The End of Copyright History'<sup>30</sup> depicting the final descent of the copyright system in the face of technological advances. Other titles such as 'A Manifesto on WIPO and the Future of Intellectual Property'<sup>31</sup> placed the responsibility on WIPO to reverse the trend of ever-expanding rights in an already globalised world in which the development divide ought to be bridged rather than widened.

However, one thing is clear that developing countries will continue to provide the geo-political imperative for the reconstruction and balance of international copyright law and this will remain the main issue that would determine the future of IP as a strategic instrument for development. A2K exemplifies that imperative that in many respects would shape that future of emerging copyright reforms both at the global and national levels. Two elements central to the challenges of access to the development opportunities and strategies for developing countries in maintaining international copyright law for the public good lie in the balance of interests in copyright with specific reference to limitations and exceptions (L & Es) and to open

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<sup>28</sup> See Halbert (2007). See also Vaver (2000), pp. 621–637; Ghidini (2011), pp. 75–79.

<sup>29</sup> Larkin (2014). See also Lunney (2001), p. 813; Boyle (2004), pp. 1–12.

<sup>30</sup> David (2004), pp. 5–10; See also Nimmer (1995), pp. 1385.

<sup>31</sup> See Boyle (2004), p. 1.

access (OA) within the existing copyright framework. The expansive context of the role of copyright in development does not displace the utilitarian analysis of IP but complements the role and indeed enables copyright to fulfil the role in a more nuanced and comprehensive manner. This has placed the copyright system squarely within the core of development. The international copyright system offers far-reaching implications on the development of domestic copyright systems and its role in meeting development needs not only in terms of economic growth but also in the realisation of social, cultural and human development.

The role of limitation and exceptions (L & Es) as well as open access in helping to keep copyright in a straight and narrow path that is one that is conducive for promoting the ideals of development. For example, L & Es reflect an inbuilt system of limitation or restriction of rights and have developed progressively in all the major international copyright instruments for 'the mutual advantage of producers and users of technological knowledge...conducive to social and economic welfare' in the definition of its primary objective principle.<sup>32</sup> It relates to protected works, in terms of duration or in terms of particular uses of the author's exclusive rights in the work.<sup>33</sup> It also fulfils the social and cultural foundations and functions of copyright as already articulated and further corroborates the view that the copyright system is not inherently averse to promoting general welfare goals and particular developmental aspirations in ensuring adequate access of the learning population to educational, scientific technological and informational materials which are important to developing countries.

Of major concern to developing countries in aligning copyright policies to access to education is bulk access, the cost of access to both physical and digital entities of protected copyright works and the scope of exceptions & limitations in relation to the interpretation or application of fair dealing as well as the approach to enforcement of copyright. This is particularly compounded by the extension of copyright to digital format and to software. Developing countries are faced with an acute need for access to educational materials, which copyright is capable of restricting and which compulsory licensing, with its elaborate and complex process, if not properly or carefully designed may not help. In that regard, the review of compulsory licensing schemes have been identified as an important part of copyright reform.<sup>34</sup> Fairly robust L & Es that are consistent with domestic needs and the social and cultural realities particularly have been suggested for developing countries.<sup>35</sup> Implementing anti-circumvention mechanisms reinforces robust L&Es to further deliver the benefits of information technologies and ensure access to knowledge goods in order to meet educational and research needs. Clearly, the use of L & Es fulfils copyright's role in developing countries and the movement towards an L & Es Treaty sits

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<sup>32</sup> See arts. 7 & 8, TRIPS Agreement.

<sup>33</sup> See Von Lewinski (2008), p. 152.

See also Okedji (2006).

<sup>34</sup> See Okedji, International Copyright system, 29 (note 33).

<sup>35</sup> See Okedji, 32.



squarely in that role. Apart from the fact that the Marrakesh Treaty<sup>36</sup> is a major achievement for WIPO, it is also a plus for A2K and the utilisation of L&Es in the realisation of copyright's public interest goals for developing countries.

In the context of providing access as an imperative of copyright protection, the socio-economic realities in the diffusion of knowledge and information have justified open access as a useful initiative and tool for promoting creativity and innovation. Open access has become such an important tool due to the rise in innovation and creativity, which in turn has given rise to increased private rights. Those who understand that sharing is the key to the next great economic, social and political development have already gone ahead and are harvesting the fruits. For developing countries, this imperative is compelling as it is complementary to the proprietary knowledge paradigm. Africa is second only to Asia in population and is second to none in population growth<sup>37</sup> with one out of every four Africans being a Nigerian.<sup>38</sup> The United Nations has reported that the dearth of education in the African continent is connected to problems associated with poverty, food security, political instability, poor-health care, high infant mortality as well as high maternal mortality rates, poor infrastructural facility, issues of environmental pollution, climate change and other social problems.<sup>39</sup> Article 26 of the Universal Declaration for Human Rights (UDHR) provides for the right to education underscoring the importance of an educated and enlightened citizenry.<sup>40</sup> Access phenomenon and in particular the open access initiative is therefore central to these development concerns. The question of access to education, access to information and access to knowledge is key to an enlightened society and human development.<sup>41</sup>

In the knowledge based economy the architecture of development is built on information and access is the currency. Africa and Nigeria stands at the brink of development as it leverages on harnessing the abundant productive capacities and opportunities that the digital economy engenders and provides. It has been reported that Nigeria now uses 29% of Africa's Internet Access,<sup>42</sup> which provides a

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<sup>36</sup>Treaty to facilitate Access to published works for persons who are blind, visually impaired or otherwise print disabled Adopted by the Diplomatic Conference in Marrakesh, Morocco on 27, June 2013.

<sup>37</sup>UN report, *World Population to reach 9.6 billion by 2050*(13 June 2013), available at <http://www.un.org/apps/news/story.asp?NewsID=45165#.Uhv1GtJmjTo>.

<sup>38</sup>Wikipedia, *Demographics of Nigeria*., available at <http://en.wikipedia.org/wiki/Nigeria#Demographics>.

<sup>39</sup>Dying for Change Poor People's experience of health and ill-health, a joint undertaking between WHO and World Bank available at [http://www.who.int/hdp/publications/dying\\_change.pdf](http://www.who.int/hdp/publications/dying_change.pdf).

<sup>40</sup>Universal Declaration of Human Rights, 10 December 1948, 217 A (III), available at: <http://www.unhcr.org/refworld/docid/3ae6b3712c.html> (1948).

<sup>41</sup>UN News Centre, *Literacy vital for beating poverty and disease and reinforcing stability – UN*, available at [http://www.un.org/apps/news/story.asp?NewsID=39485&Cr=literacy&Cr1#.USQB\\_h1BP-Y](http://www.un.org/apps/news/story.asp?NewsID=39485&Cr=literacy&Cr1#.USQB_h1BP-Y).

<sup>42</sup>Dele Ogbodo, *Nigeria Now Uses 29% of Africa's Internet Access an Interview with Nigerian Minister of Communication Technology, Mrs. Omobola Johnson* (2015) Thisday <http://www.thisdaylive.com/articles/nigeria-now-uses-29-of-africa-s-internet-access/209661/>.



monumental opportunity for open access. Creativity and Innovation are key tools for development and open repositories provide a platform for access to their output. Open access is not antithetical, rather it promotes creativity and innovation. Nigeria is a potential market for global attention but she can only attain her potential through collaboration. Nigeria can contribute to global development through the greater visibility of Nigerian works and such development can be quickened through enabling access to the use and reuse of content. The green and gold open access provides a platform to make this happen. However, Nigeria must be an active participant and not a mere consumer.

What open access provides is the opportunity to engage in sharing and collaboration using open access platforms for online access to information and creative works by and for individual creators and institutions be they government, educational institutions, scholars and researchers or citizens. The purchase of the Nigerian inventor, Chinedu Echeruo's '[Hopstop.com](http://www.hopstop.com)', a software application for navigation reportedly for \$1 billion, is a classic example of the value of the relationship between proprietary and open access models for the promotion of creativity and innovation in the marketplace.<sup>43</sup> The success story is inspiring and Africa has many bright and talented citizens who are only looking for the opportunity to build and let out their intellectual genius and open access provides that platform.

However just like any other tool, open access must be embraced and cultivated in order to harness and maximize its benefits. The green road to open access, that is, self-archiving, has been suggested as the fastest route to achieving free and unrestricted online access to peer-reviewed literature.<sup>44</sup> It operates by the willingness of each individual author to make available his/her work in a specialized repository, (often referred to as subject based repository, for example arXiv hosted by the University of Cornell)<sup>45</sup>; a general repository (one which houses all class of information regardless of the subject, for example Queensland University of Technology (QUT) eprint)<sup>46</sup> or within a personal website or on a blog.<sup>47</sup> For Africa, adopting the open access green road through mandating the deposits of research outputs in Institutional Repositories (IR) means that Africa is connected to the world library and therefore has access to almost any form of peer-reviewed literature. The green road to open access would provide unprecedented access to information. It would also serve as a platform through which African based research can be shared thus

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<sup>43</sup> Zacheaus Somorin, *Apple Buys Chinedu Echeruo's Hopstop.com for \$1 Billion* <http://www.thisdaylive.com/articles/apple-buys-chinedu-echeruo-s-hopstop-com-for-1-billion/209739/>.

<sup>44</sup> Harnad, What is Open Access, <http://www.eprints.org/openaccess/>. Harnad, *Mitteilungen der VÖB*, (2012). Harnad et al. (2008).

<sup>45</sup> Cornell University Library, [arXiv.org](http://arxiv.org).

<sup>46</sup> Queensland University of Technology, *QUT ePrints*, available at <http://eprints.qut.edu.au/>.

<sup>47</sup> Harnad et al. (2008). Institutions have recognised the efficacy of this route and that providing institutional support to staff or recipients of grants would enable access to the output of research and indeed the introduction of institutional mandates by governments, funding agencies and Institutions of higher learning have brought about higher deposits into repositories.

fulfilling one of the goals of the Budapest Open Access Initiative (BOAI), sharing the knowledge of the rich with the poor and the poor with the rich.<sup>48</sup>

In ensuring that copyright fulfils its wider development role in developing countries, rather than maintaining the momentum of expansion of rights, critical attention should be placed on reinforcing L&Es within the copyright framework as well as instituting open access policies and frameworks. Key developments at the international level can prove useful in that direction beyond rhetoric; the Development Agenda particularly at WIPO should assume a normative and substantive force. This has already started with the Marrakesh Treaty in 2013. WIPO's Intergovernmental Commission for Traditional Knowledge (TK), Expressions of Folklore and Traditional Cultural Expressions (IGC) renewed mandate, for example, should press towards the TK treaty that would resolve the unending debate over access and benefit sharing of genetic resources. The draft A2K treaty should be adopted. The two treaties in place would mark a watershed in the development realities of international copyright law as against the expansion era, and the realisation of the authentic copyright function would be achieved to usher in a balanced knowledge governance system for the global production and distribution of knowledge goods. Also, It may be necessary to take a moratorium on the expansion and heightened standards in international copyright law and policymaking and indeed a possible declaration of a state of emergency in that regard. The moratorium and declaration would offer a contemplative mood for taking stock and reflection on the blistering impact of the current state of global regulation of knowledge goods and its future direction.

## 5 Lessons for Nigeria's Emerging Copyright Reform

The debate of copyright in developing countries has always been shaped by the economic role before the wider socio-cultural and public regarding role. It is now clear, though it may not necessarily represent a consensus of opinion, that the purely economic context of development neither presents a complete picture of the development functions of copyright nor is it any longer sustainable in the light of recent developments in the intellectual property system and its interaction with the critical fields such as education, culture, agriculture, technology, public health, media, entertainment including trade which are the key elements of development. The wider development potentials of the copyright system determine how it would facilitate access to education and information in the production and distribution of learning materials both physically and digitally. In a number of ways, the over-emphasis of the economic role, further fuelled by the more recent linkage of IP with trade, only presented the role of IP from a narrow perspective. It has done a lot of damage to the wide-ranging benefits of intellectual property and copyright in particular.

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<sup>48</sup> Budapest Open Access Initiative. 2002.

From the standpoint of legal history, the introduction of copyright law to Nigeria as part of the received English law and jurisprudence in part reflects the narrow perspective particularly for the English creative industries in the new territory. Copyright law in Nigeria has been influenced largely by English copyright law at the pre-and post- independence eras. For almost half of century, English copyright law applied to Nigeria to serve the Imperial purposes of extending copyright protection in British books in Nigeria.<sup>49</sup> The first domestic copyright legislation, the *Copyright Act 1970* essentially maintained the same purpose even with the rising profile of Nigerian publishing and creative industries. It is significant to note that the pressure for revision of the law in the eighties were based more on the need to have a more author-friendly system than strengthening the need to provide for dissemination and access, as a way of fulfilling the public interest, which was needed for the copyright system of a young nation.

The *Copyright Act 1988* made a quantum leap in that direction in its framework. From the perspective of balancing the imperative of ensuring adequate access to protected works, the Act provides for notable substantive and traditional exceptions, though the objects and rules of copyright exceptions are rather confined to the Schedule to the Act.<sup>50</sup> That adopted framework reflects the thinking that maintaining dissemination of and access to creative works in the framework of protection is subservient to the grant of rights. However, the establishment of the Nigerian Copyright Commission (the Commission), as a public agency responsible for the administration of copyright for the first time in the history of Nigeria's copyright system provides the context for the recognition of the public interest goals of copyright law.

Whether the functions or the implementation of the functions of administration and enforcement of copyright would advance that goal is a different matter entirely. The Act has maintained the expansion of rights and enforcement reflecting the growing international trends in major instruments such as the Berne Convention, which Nigeria has ratified. The Act has not responded to the impact of the advent of ICT and the digital revolution that followed, which has affected the need for a balanced regulation of the diffusion of creative works, and more importantly, it has not improved on the nature and scope of maintaining optimal access to creative works to meet the exigencies of knowledge diffusion and as well as the educational needs of the country.

Flowing from the above, the special need for appropriate development of the copyright system for a developing country informs the direction the emerging copyright reform should take in a developing country like Nigeria. The imbalance associated with the international system should not be a template. The narrow view of copyright has spurred the predilection for expansion of rights in the IP norm setting machinery. It has excluded the interest of developing countries from the benefits of IP. It has negated the promotion of cultural heritage and international protection of

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<sup>49</sup> Adewopo (2015), pp. 3–5.

<sup>50</sup> See *Copyright Act*, 2nd Schedule.

Traditional Knowledge (TK). It has obscured a more rounded view of development as a legitimate universal right of all countries, which is now being pursued in the A2K to provide development opportunities and strategies for developing countries using the instrumentality of IP system. This perspective is not particularly new but, wittingly or unwittingly, it has been relegated to the background in the packaging of IP system particularly at the global era with the entry of TRIPs into the IP architecture. While TRIPs pays a lip service to it, the A2K brought it back to the negotiating table and secures WIPO as the more promising site for the genuine development pursuit of IP than the WTO.

This is an important lesson for a country like Nigeria having regard to the vital statistics in terms of development potential. First, its population of over 180 million provides a demographic potential for development. Secondly is the size of its economy, which is currently the largest economy in Africa. Thirdly is the abundance of human and natural resources, which provides the raw material for creativity and innovation and their exploitation. Fourthly is its huge cultural industries particularly the music, film and other creative enterprises as well as TK, which provides robust creative local content for development. There is a strong rationale for the development of Nigeria's education sector with over one hundred tertiary institutions, comprising Federal, State, public and private universities. There is an imperative to establish a copyright system that should provide optimal and bulk access to educational, informational and scientific materials as well as technologies for the huge learning population in order to meet the human development goals, the preservation of cultural heritage and access to knowledge.

The prominent role that education and technology plays in meeting national developmental needs has been well established. As already indicated, a critical part of that role is the need for a robust supply of educational materials.<sup>51</sup> Education as an integral part of development, serves as a catalyst to poverty reduction, productivity and fulfilment of human potential. The UDHR which states categorically that 'Everyone has the right to education' makes it a basic human right.<sup>52</sup> For Africa and Nigeria, the state of the education system comprising the institutions, regulatory bodies and the student population, calls for serious concern. The ranking of Africa and Nigeria in the United Nations Development Programme (UNDP) of Human Development and Education ranking has not improved for a number of factors ranging from political, economic, social, cultural and legal.

There is the need to provide bulk access to over 147 universities, in the country comprising 46 Federal, 40 State and 61 Private universities, as an indispensable part meeting the educational, scientific and other development needs of the country.<sup>53</sup> These institutions cumulatively churn out millions of research findings by researchers and scholars in various fields of knowledge, but these are seldom shared between

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<sup>51</sup> See UNESCO Education for all global monitoring report (2009).

<sup>52</sup> See Art 26(i) available at [www.un.org/en/documents/udhr/accessed](http://www.un.org/en/documents/udhr/accessed) 23 April 2016.

<sup>53</sup> National Universities Commission, LIST OF NIGERIAN UNIVERSITIES AND YEARS FOUNDED.

local experts or accessible not to mention experts in the other parts of the world.<sup>54</sup> The inability to share research output has practically cut Africa off the research development map. Research carried out in Africa is not often integrated into the global research dynamics and Africans are hardly able to access needed and useful research outputs. Apart from the digital divide, this can be attributed to pay walls that have been erected, bringing about higher costs for journal subscription. The copyright system, which regulates the level of access to learning materials is not only relevant but also a key component of the educational system.

In the emerging reform, the exceptions to the copyright control framework are central to the role of copyright in development. It is therefore important that the copyright system serves to maintain enhanced access to education as well as new technologies in order to meet the goals of human development and economic growth. For new technologies, the digital revolution has globalised the reproduction and distribution of creative works. It has also brought about a marked restriction in dissemination through various technical protection measures. Copyright systems, through rights administration and enforcement measures, therefore provide effective frameworks for regulating by way of either enabling or restricting access to these technologies and the rights in them. Thus, the domestic copyright system serves the noble role in promoting the wider public policy objectives, particularly the advancement of learning which is critical for achieving human development. It is expected to maintain a balance of protection in the provision of rights and access conditions for creative works.

Against the backdrop of the growing rationale for a balanced copyright system, rather than a fostering a heightened and expansion of rights, it is therefore important that the emerging copyright reform secures a balanced protection of rights and access considering comparative advantage of the creative industries for the effective and beneficial role of copyright in the digital age. The draft Nigerian Copyright Bill 2015 reflects that objective and the principal rationale in the strengthening of the existing copyright regime, which has been grossly incompatible with the prevailing digital environment. Although, the revision has been long coming with the draft amendment of 2007, the draft Copyright Bill 2015 provides a holistic revision of the existing copyright regime. The draft bill, in its 88 sections divided into 11 parts, proposes important changes to existing copyright law.<sup>55</sup> From the standpoint of access, there are two changes of significance to the overall public interest goal of the copyright system for Nigeria. The first is the introduction for the first time of the regulation of online content and circumvention rules under the Nigerian copyright law. The well know anti-circumvention and enforcement provisions relating to notice to take down infringing works, that have become part and parcel of the digital copyright system, will become a feature of the Nigerian copyright law. This will serve the purpose of filling existing gaps in the regulation of protection of copyright works, including digital works, which will also be protected, in the new information

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<sup>54</sup> AJOL, *African Journals Online*, available at <http://www.ajol.info/>.

<sup>55</sup> See Parts 1–11, Draft Copyright Bill 2015.

network. Secondly, is the marked shift in the copyright structure by bringing and strengthening the exceptions to copyright control from the earlier schedule into the main Act.<sup>56</sup> As important levers in the protection and access equation, the repositioning to the main body reinforces their substantive effect as a balancing mechanism. The Bill is still open to debate and it is important in that debate that the overall objectives of maintaining the public good in balancing the rights and access in copyright law should resonate. While it is difficult to assume a value judgement on the Bill in its draft form it has the potential of ushering the Nigerian copyright system into a new era.

## 6 Conclusion

There is no doubt that IP and indeed copyright primarily or solely constructed as an incentive system has failed to account for the range of values at stake in the global knowledge economy.<sup>57</sup> That has consequently brought IP to the cross roads of the utilitarian and cultural conflict exacerbated by its presence in virtually all the critical areas of human life—be it food, culture, human right, education, health, learning and education, entertainment, technology and more. The domestic copyright system is therefore confronted with the two challenges of meeting global standards and at the same time fulfilling the prevailing socio-economic, cultural and technological conditions precedent for meeting the needs of access to knowledge and technologies in the domestic environment.

Today, the changes in the existing international and global IP law both at WIPO & WTO and beyond<sup>58</sup> and the growing realisation of the imperative of access and dissemination of knowledge in the balance of copyright, particularly in the digital era, have fuelled the need for reform. The role of emerging reform of the law needed to update copyright standards and address the challenges posed by the impact of new technologies reinforces the urgent need to implement a law that would promote access to knowledge and the public particularly regarding the interests of a developing country. The global Digital Agenda launched the sweeping reform of copyright across jurisdictions both developed and developing. The WIPO Internet Treaties 1996 followed by the US DMCA and EU Directive are the precursors and catalysts of the new digitally powered copyright instruments in many jurisdictions and indeed marked the realisation of the global copyright agenda for the digital age.

The Development Agenda and the global copyright regime are currently engaged more intensely than ever before in dealing with the African and Developing countries' concern for the protection of their creativity. While the global rules continue to subsist, domestic copyright reform that meets the demand for development not

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<sup>56</sup> See generally Part 11, Draft Copyright Bill 2015.

<sup>57</sup> See Sunder (2006), pp. 257, 311.

<sup>58</sup> See other instruments like ICSCR, CBD etc.

only finds legitimacy and ideological space in its national aspiration and sovereign identity but also in the overriding and unambiguous objectives and principles so declared both in the Development Agenda and Doha Declaration at WIPO and WTO respectively, notwithstanding the systematic manipulation that has attended the emergence of the global rules. The sum of the development that has taken place in the last century history of IP has merely addressed the question of 'Property for Who' more or rather than 'Property for What', which is now being reconciled in the current shift in the development of the global copyright system, with the A2K movement providing the role of the enabler and catalyst in the emerging order. On a positive note, like the gradual success of the A2K movement, the current engagement is not incapable of restoring the lost visions of a copyright system that would fulfil the aspirations of the teeming population in developing countries yearning for learning and access to knowledge and new technologies that would make them the authentic participants of the global citizenry.

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# Embracing Open Policies to Enable Access to Information: The Edo State Open Data Portal



Kunle Ola

## 1 Introduction

The involvement of the general public in international discussions, policy making and criticism has been enhanced by the aid of technology and the many devices that carry these technologies. One of the key challenges faced by any public is the ability to freely access content whenever they require it.<sup>1</sup> The inability of the general public to freely and immediately access requisite information can be a strong inhibition to development.<sup>2</sup> Information is power, it is key to development. It is indispensable in this generation. It is what gives life and meaning to discussions and explanations. The emergence of sites like Youtube, Google Search Engine, Flickr, Articles base have greatly helped in not just locating content but also in providing some form of legally permitted access to use and reuse content. The strategies and initiatives that enable the above mentioned 'legally permitted access to use and reuse content' is what is referred to as open policies.

This chapter makes the argument that embracing open access to knowledge through open policies enables access to information. It discusses open access to knowledge from a broad view encapsulating access to journal articles, public sector information and educational resources. It posits that underdevelopment in Africa can be addressed amongst other things through open access to knowledge. It explains open access to knowledge as a mechanism for lifting citizens and nations out from under-development to development and explores the experience of the Edo State Government which has set up an Open Data Portal under its Open Government Initiative to demonstrate the fact that open access to knowledge is clearly a tool for

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<sup>1</sup>Harnad et al. (2008).

<sup>2</sup>Chan et al. (2012).

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development. It explains the establishment of the portal, identifies five policy objectives of the initiative, discusses three overarching deliverables of the initiative and lays out the achievements and outcomes attained. The concluding section of the chapter analyses Africa from a consumer/contributor standpoint. It emphasizes the need for balance in accessing and using available information and strikes a note on the importance of ‘dipping and dropping’ that is, Africa must ensure it is not just being a content consumer/user but also that it is an active contributor to the global pool of content.

## 2 Underdevelopment in Africa. The Problems/Challenges

That Africa is sectioned to the underdeveloped and in some respect developing countries is not news.<sup>3</sup> Wars, killings, corruption and bad governance are some factors that characterise these nations but some of these odious acts also occur in developed nations.<sup>4</sup> Why then are those nations different? This question begs for answers which will necessarily vary depending on the approach taken and the experiences encountered by those providing the answers.<sup>5</sup> This philosophical issue is not the central theme of this chapter but one wonders whether the difference could be as a result of the battered mentality developed from years of colonization or could it be the great gap caused by digital divide or could it be that the people are just unwilling to be developed? No attempt is made to address these issues, but it seems apparent that the advent of digital technology and the internet has exacerbated the problem by creating a digital divide. This digital divide has widened the ability for Africa and Africans to access and share information. The digital divide creates many problems amongst which are the problems of accessibility and visibility.<sup>6</sup>

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<sup>3</sup>UNdata, ‘Composition of macro geographical (continental) regions, geographical sub-regions, and selected economic and other groupings’, <http://unstats.un.org/unsd/methods/m49/m49regin.htm#developed>. Africa is ranked in the developing country regions and categorized as numerical code 002.

<sup>4</sup>Annan (2016). Art. 3, 1 Retrieved on 11th November 2016 <http://www.stabilityjournal.org/articles/10.5334/sta.da/>. “These conflicts are often hinged on several factors including poverty, human rights violations, bad governance and corruption, ethnic marginalization and small arms proliferation.”

<sup>5</sup>Fox et al. (2012). Fox and Sean explore this question from both a political and social perspective and explain that “Countries with ‘hybrid’ political orders experience higher rates of social violence than those with strong autocratic or strong democratic regimes, and that weakly institutionalised democracies are particularly violent.” They further noted that “the concomitant rise in social violence in recent decades may be linked to world urbanization and the ‘third wave’ of democratization on the global south...” They therefore argue that “social and political violence share some common underlying causes”.

<sup>6</sup>Willinsky (2006), pp. 31, 48, 108, 111, 112 and 127. See also Visser (2003), p. 207.

## 2.1 Accessibility

The problem of accessibility is legal, economic and technological. In the Internet era, it stems from the fact that most contents are now digitally borne and a lack of Internet connectivity or poor connectivity (which is predominant in Africa) debars willing users from getting the needed content. It is important to note here that the content in question is already developed and available. The problem is not one of a dearth of ideas, neither is it one of an inability to create content. This generation is like no other in the sense that it has been said to be suffering from what has been described as ‘infobesity’ that is, information overload; an availability of too much information.<sup>7</sup> The problem is therefore not one of inadequate information but rather one of access to what is available.<sup>8</sup> ‘Availability’ is thus not the problem but rather ‘access’. The digital divide coupled with issues such as subscription fee, pay to view, copyright and technological protection measures all exacerbates the problem of accessibility.<sup>9</sup> The experience of a friend will help deepen our understanding of the accessibility problem.

### 2.1.1 The Access Problem

Mike is an Intellectual Property (IP) researcher, resident in the West part of Africa. He is passionate about IP development and research. He is a voracious reader and loves to write. He reads what he can find/access but would really love to read wider and get these materials as soon as they are published. His ability to contribute to cutting edge international (IP) development and discussion is greatly curtailed by his inability to access relevant content as at when due. He is not part of an institution that can afford the very high publisher’s subscription fees and as you can imagine, he is unable to personally purchase the relevant and recent scholarly contents (journal articles and books) that he requires to both gain and contribute to knowledge. Mike is suffering from what is called ‘the access problem’. The access problem refers to the barriers and restrictions to accessing academic journal articles freely and immediately. These restrictions/barriers have been identified as legal, economic and technological.<sup>10</sup>

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<sup>7</sup>Rogers et al. (2013) ‘Infobesity: The enemy of good decisions’ Insight <http://www.bain.com/publications/articles/infobesity-the-enemy-of-good-decisions.aspx>.

<sup>8</sup>Harnad (2010).

<sup>9</sup>Suber (2008).

<sup>10</sup>Suber (2012), pp. 4, 5 & 27, Where he notes that “A price tag is a significant access barrier”. “Copyright can also be a significant access barrier”. “The digital divide keeps billions of people offline, including millions of scholars and impedes millions of others”.

## Legal

Intellectual property framework particularly copyright regulates amongst other things access to works of literary creations.<sup>11</sup> It does this by empowering authors and copyright owners (inclusive of assignees and exclusive licensees) with the right to exclude others from using and reusing copyright works without prior authorisation having first been obtained.<sup>12</sup> The open access movement takes cognisance of the fact that access to the results of either public or private research are often inaccessible due to protections on such materials as stipulated by intellectual property laws; for example, copyright laws which prohibit unauthorised persons from exploiting the output of research without having first obtained permission. In essence, only persons who have obtained permission from the copyright owner or who are covered by some form of exceptions or limitations to copyright may exploit (use and reuse) research outputs.<sup>13</sup> To this extent, the legal framework of copyright stands as a barrier or restriction to open access to knowledge.

## Economic

Supreme Court Justice Howard Manning noted in *Hoke County v State of North Carolina* that “only a fool would find that money does not matter in education.”<sup>14</sup> To buttress this point, a save our schools report by Trevor Cobbold titled ‘Money Matters in Education’ noted succinctly that “there is even more evidence that money matters in reducing education disadvantage”<sup>15</sup> Price determines to a large extent what people get.<sup>16</sup> The price barrier is another restriction referring to costs such as licensing fees, fees for pay-per-view as well as subscription fees payable to journal publishers who are responsible for publishing, warehousing, marketing and distributing the results of research.<sup>17</sup> In recent times, it has become impracticable for most institutions to pay the subscription fees for all the journals they would wish to access. This frustration has been expressed by the academic community but

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<sup>11</sup> Ola (2013), p. 4 where he notes that “Copyright can be described as the exclusive right of the owner of Copyright to control the exploitation of his work and to grant authorization to others in this regard, subject to certain limitations and exceptions.”

<sup>12</sup> For example Section 6 of the Nigerian Copyright Act provides that works protected under copyright are under the exclusive control of the copyright holder. See also Adams (2013).

<sup>13</sup> Ola (2013), p. 4.

<sup>14</sup> Manning, H. Memorandum of Decision. *Hoke v State of North Carolina* 95 CVE 1158, retrieved November 4, 2016 [https://nces.ed.gov/edfin/pdf/lawsuits/Hoke\\_v\\_NC\\_I.pdf](https://nces.ed.gov/edfin/pdf/lawsuits/Hoke_v_NC_I.pdf).

<sup>15</sup> Trevor Cobbold, Money Matters in Education, July 2014, Education Research Brief. Retrieved November 4, 2016, [http://www.saveourschools.com.au/file\\_download/165](http://www.saveourschools.com.au/file_download/165).

<sup>16</sup> Harnad et al. (2008).

<sup>17</sup> Nigerian Copyright Commission NCC, *STRAP and CLAMP – Nigeria Copyright Commission in Action*, WIPO magazine September 2008. at 12.

specifically by Harvard University, a university considered to be very wealthy.<sup>18</sup> The journal fees is an example of the price restriction but making it worse is the fact that the fees are high and prohibitive. It means those who are unable to pay are unable to access needed information. The involvement of government and funding organisations in research all over the world is such that research outputs can to a large extent be considered the product of tax payers money (at least to the extent funded by government) and it is only reasonable that if tax payers have funded research,<sup>19</sup> then outputs of such research should be freely available to tax payers without legal or price restrictions.<sup>20</sup>

## Technological

Have you ever searched for an article, a song or a movie and when the search engine pulls it up you are excited only to find out you are unable to download it unless you pay some money or comply with some subscription terms? Technology is what inhibits access in such situations and to that extent, technology becomes a restriction/barrier to access.<sup>21</sup> Through the aid of technology content that is available online may be made inaccessible. The advent of digital technology and online access to information has provided the platform for unimaginable access to use and reuse information. The many possibilities enabled by the duo of digital technology and online access raised concerns amongst right owners as to ensuring that due protection is given to their copyrightable works.<sup>22</sup> To this end, the World Intellectual Property Organisation (WIPO) passed the WIPO Copyright Treaty<sup>23</sup> and the WIPO Performance and Phonogram Treaty<sup>24</sup> both referred to as the Internet Treaties<sup>25</sup> which provide a legal regime for technological protection measures and digital rights management on works in which copyright subsists. Both treaties place an

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<sup>18</sup> See, Norrie (2012). Where it was reported that “harvard library says it can no longer afford the vast cost of academic journal subscriptions... Subscription prices for online content from two publishers have increased by 145% over the past 6 years, far in excess of not only the consumer price index but also the higher education and the library price indices”.

<sup>19</sup> See Deere (2009), p. 3. Where he referred to the worldwide movement led by Organisations such as the Organisation for Economic Cooperation and Development (OECD) to allow citizens access the outputs they have funded.

<sup>20</sup> See MIT, *Working with the MIT faculty Open Access Policy*.

<sup>21</sup> Suber (2012). See where he discusses connectivity barriers and notes that “The digital divide keeps billions of people offline, including millions of scholars, and impedes millions of others with slow, flaky, or low-bandwidth internet connections.”

<sup>22</sup> Fewer (2005), pp. 1–2.

<sup>23</sup> WIPO Copyright Treaty, adopted in Geneva on December 20, 1996, [http://www.wipo.int/treaties/en/ip/wct/pdf/trtdocs\\_wo033.pdf](http://www.wipo.int/treaties/en/ip/wct/pdf/trtdocs_wo033.pdf) WCT.

<sup>24</sup> WIPO Performances Phonograms Treaty, adopted in Geneva on December 20, 1996, [http://www.wipo.int/treaties/en/ip/wppt/pdf/trtdocs\\_wo034.pdf](http://www.wipo.int/treaties/en/ip/wppt/pdf/trtdocs_wo034.pdf) WPPT.

<sup>25</sup> Nigerian Copyright Commission NCC, *Copyright Notification Scheme* (2005), <http://www.copyright.gov.ng/index.php/regulatory-schemes/copyright-notification>.

obligation on contracting states to provide adequate legal protection and effective legal remedies against circumvention of effective technological measures and against anyone knowingly doing, inducing, enabling, facilitating or concealing the removal or alteration of any electronic rights management in information without due authorization.<sup>26</sup> The Internet treaties therefore provide the legality for technological restriction to works that are otherwise available and accessible thereby restricting open access. The open access movement advocates that for free unrestricted online access to be achieved technological lock ups via the deployment of technological protection measures and digital rights management need to be removed.<sup>27</sup>

In discussing underdevelopment in Africa, two issues were identified namely accessibility which has just been discussed and visibility which will now be addressed.

## 2.2 *Visibility*

The problem of ‘visibility’ refers to the inaccessibility of content due mostly to the location of authors. It refers to the difficulties associated with making available and sharing works developed by experts who reside in underdeveloped and developing countries.<sup>28</sup> The visibility problem operates both on a local and international scales in the sense that both local and international colleagues are unable to access most works created by authors who reside in certain geographical regions.<sup>29</sup> This inability limits amongst other things, the ability of African researchers to compete on a plain field with their colleagues on the other side of the divide. The digital divide challenge has a lot to do with the non-availability of actual internet related hardware and software installations. The absence of policies that would enable the closure of the divide is another issue but the big monster in the room is the fact that the establishments/institutions responsible for making content available are all located on one side of the digital divide and naturally they serve the interest of that divide to the apparent detriment of those on the other side of the divide.<sup>30</sup> This may not be the intention of the establishments making content available but the realities play out as a clear disadvantage and detriment to those on the seeming weaker side of the divide.

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<sup>26</sup>WCT (1996). See Articles 11 and 12. See also WPPT (1996). ar Articles 18 and 19.

<sup>27</sup>Guilbault (2011), pp. 158–159.

<sup>28</sup>Ola (2015), pp. 128–129 where he discussed global and local visibility.

<sup>29</sup>Kirsop et al. (2011).

<sup>30</sup>Joshua A Krisch, ‘These Five Corporations Control Academic Publishing’ <http://www.vocativ.com/culture/science/five-corporations-control-academic-publishing/>. See also, Haustein et al. (2015). Where it was noted that Reed-Elsevier, Wiley-Blackwell, Springer and Taylor & Francis and Sage are the major academic publishers.

Providing requisite platforms for not just the creation of information but also for access and visibility is imperative for development to be attained. Open access to knowledge enables the tools of access and visibility and they bridge the digital divide and enable under developed and developing countries to join the league of developed countries.

### 3 Open Access to Knowledge as a Tool for Development in Africa

The nations of the world are now focused on Sustainable Development after several years of pursuing the implementation of the Millennium Development Goals (MDG's). Ban Ki-Moon noted the progress made with the MDG's but stressed the fact that 'sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance.'<sup>31</sup> Both the MDG's and now the Sustainable Development Goals underscore amongst other things the importance of enhancing access to education and by implication information.<sup>32</sup> The importance of education, knowledge and information in today's knowledge economy makes information an indispensable tool in the pursuit of development. It is this understanding that has underscored the recurring emphasis by the United Nations on the importance of access to education as well as the need to reduce inequality within and amongst countries and meet the special needs of Africa.<sup>33</sup> Access to knowledge through education and information is bringing about gradual development in different parts of the world inclusive of Africa.<sup>34</sup> Below are examples of how access to knowledge is bringing about development all over the world but particularly in Africa.

#### 3.1 OER Africa

This is an open access to knowledge policy initiative that plays a leading role in supporting establishments across Africa in understanding, developing and using educational resources in enhancing teaching and learning. It provides useful access

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<sup>31</sup> Ki-moon (2013).

<sup>32</sup> United Nations UN, United Nations Millennium Declaration, (A/55/L.2). See declaration II and resolution 19. See also, United Nations UN, *Transforming our world: the 2030 Agenda for Sustainable Development*, (A/70/L.1) resolution adopted by the General Assembly on 25 September 2015. See goals 4 & 16.

<sup>33</sup> UN. See also, UN, United Nations Millennium Declaration, (A/55/L.2).

<sup>34</sup> Willinsky (2006), p. 13, 93.

to information and serves as a hub for locating relevant educational resources.<sup>35</sup> It was established by the South African Institute for Distance Education (Saide) and provides information on a wide range of issues. Through her partnerships with universities in Africa, OER Africa successfully shares educational resources between Higher Educational Institutions.<sup>36</sup> This development is particularly important for Africa because of the lack of visibility of African works between Africans and Africans and Africans and the rest of the world.

### 3.2 *African Virtual University (AVU)*

This is a Pan African intergovernmental organisation established by charter with the mandate of significantly increasing access to quality higher education and training through the innovative use of information technologies. This charter has been signed by 18 African governments. The AVU operates from Nairobi, Kenya and Dakar Senegal, where it has its head and regional offices respectively. AVU was launched in 1997 as a World Bank project and later became an intergovernmental organisation in 2003. AVU has the unique ability to work across the multi-lingual borders of Africa and has trained over 43,000 students since inception in 1997.<sup>37</sup> AVU has an open architecture “through which the creation, organization, dissemination and utilization of open educational resources is expected to lead to the development of a dynamic, rational and comprehensive strategy for collaborative partnerships for African higher education and training institutions”. AVU has a repository which hosts most of AVU materials. In collaboration with the African Development Bank and the UNDP, many professional courses have been developed and released openly. These materials are available and accessible through the repository.<sup>38</sup>

### 3.3 *Siyavula*

Siyavula Education is an African open access to knowledge initiative that has made significant impact on the people of Africa by its open policy. The initial seed fund for the initiative came from Shuttleworth fellowship. Siyavula produces and shares

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<sup>35</sup> OER Africa, ‘Building African Education Capacity through Openness’, <http://www.oerafrica.org/Home/tabid/36/Default.aspx>.

<sup>36</sup> Aurelia J. Schultz, ‘Back to School: Open Educational Resources in Africa’ <http://creativecommons.org/weblog/entry/17273>.

<sup>37</sup> African Virtual University, ‘About: Introduction’, <http://www.avu.org/About-AVU/introduction.html>.

<sup>38</sup> African Virtual University, ‘The AVU OER Repository’, available at <http://www.avu.org/the-avu-oer-repository.html>.



knowledge using open licenses thereby making them freely available online. Based on the open policy initiative adopted by the organisation, the South African government has been able to use and reuse the Siyavula's educational resources and has distributed them freely to millions of students.<sup>39</sup>

### 3.4 *Open Initiative Between UNESCO and University of Nairobi*

UNESCO and the University of Nairobi, Kenya successfully collaborated to transform four courses from static texts into dynamic online learning resources and these materials have been released under an open license that permits users to freely and legitimately access, use and reuse these materials. These four courses which are currently hosted in the OER commons platform are as follows:

- **Information Studies;** a course unit offered to masters students at the school of Biological and Physical Sciences,
- **Introduction to Business and Entrepreneurship;** a course unit offered to undergraduate students at the college of Biological;
- **Physical Sciences, Audit and Control;** a course unit offered to both undergraduate and master's students in different departments at the College of Biological
- **Physical Sciences and Database Systems;** a course unit offered to both undergraduate and graduate masters students in different departments at the College of Biological and Physical Sciences.<sup>40</sup>

### 3.5 *NOUN & UNESCO*

The National Open University of Nigeria (NOUN) is in collaboration with the United Nations Education Scientific and Cultural Organisation (UNESCO) to deepen understanding and facilitate the development of open educational resources in Nigeria. In furtherance of the collaboration, UNESCO organised an intensive workshop in Nigeria for the purposes of significantly enhancing the quality and

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<sup>39</sup>Institute for the Study of Knowledge Management in Education (ISKME), 'Siyavula: Building Communities to Support Teacher Use Localization and Sharing of OER' <http://www.iskme.org/our-work/siyavula-project-formative-and-summative-research-study>. See also, SIYAVULA, *Who We are Our Story*. See also, Farrow (2014). See also, Carrol (2015).

<sup>40</sup>UNESCO, *The University of Nairobi enhances education for all with Open Educational Resources* (2015).

access to higher education for thousands of Nigerians and African students. The workshop was attended by 30 senior faculty members of NOUN and was held from the 10–11 of September, 2014.<sup>41</sup>

### 3.6 *US Book Project*

Hilary Clinton launched the Open Book Project, an initiative which provides open access to knowledge, with particular attention to educational resources in the Arabic language. The policy initiative supports the creation and dissemination of open educational resources in Arabic language and the translation of existing open educational resources into Arabic. It also offers training and support to governments, educators and students to put existing open educational resources to use and to develop their own.<sup>42</sup>

### 3.7 *World Bank*

The World Bank announced its adoption of an open access policy requiring that all research outputs and knowledge products published by the Bank be licensed under a Creative Commons attribution license (CC BY) as a default and as a first phase of the policy, the Bank on the 10th of April, 2012 launched the Open Knowledge Repository<sup>43</sup> with more than 2000 books, articles, reports and research papers under a CC BY license,<sup>44</sup> thus making those materials freely available and accessible to the general public.<sup>45</sup>

The fact that access has been provided for using, reusing and distributing these materials has reduced the cost of learning and of obtaining educational materials significantly. In the words of Green, “These adoptions represent real savings for over 30,000 students in classes around the world. OpenStax College estimates that it has saved these students more than \$3 million (USD) so far.” On the part of educators, it makes the job of building teaching materials easier as each educator need not re-invent the wheel but can simply adapt available materials. On the part of

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<sup>41</sup> UNESCO, ‘Massive Open Education Opportunities at the National Open University of Nigeria’ (2014), [http://www.unesco.org/new/en/communication-and-information/resources/news-and-in-focus-articles/all-news/news/massive\\_open\\_education\\_opportunities\\_at\\_the\\_national\\_open\\_university\\_of\\_nigeria/#.VVBqdvmmqko](http://www.unesco.org/new/en/communication-and-information/resources/news-and-in-focus-articles/all-news/news/massive_open_education_opportunities_at_the_national_open_university_of_nigeria/#.VVBqdvmmqko).

<sup>42</sup> Cable Green, ‘US Department of State Unveils Open Book Project’ <http://creativecommons.org/weblog/entry/36421>.

<sup>43</sup> The World Bank, ‘Open Knowledge Repository’, <https://openknowledge.worldbank.org/>.

<sup>44</sup> (CC) Creative Commons, ‘About the Licenses’, <http://creativecommons.org/licenses/>.

<sup>45</sup> The World Bank (2012).

government, adopting an open educational policy will result in huge savings in the long run.<sup>46</sup>

The above examples show how open policies has and can play a strong role in development. These open policies provide a platform and the opportunity to explore. Without these opportunities, many are locked out. The words of Clinton while providing the rationale for the US Book Project is instructive. She said “Talent is universal, but opportunity is not. It’s incumbent upon all of us to keep opening doors of opportunity, because walking through it may be a young man or young woman who becomes a medical researcher and discovers a cure for a terrible disease, becomes an entrepreneur, or becomes a professor who then creates the next generation of those who contribute.”<sup>47</sup>

A State in Nigeria (Edo State) is making positive efforts to bridge the digital divide through the adoption of open policies and the practice of providing free, open and immediate access to the information in their custody.

## 4 The Edo State Open Data Portal

Edo State is one of the 36 states governments in Nigeria and is geographically located in the mid-western part of the country. In collaboration with the World Bank the Government set up an Open Data Portal under an open government initiative.<sup>48</sup> The portal is the official data repository for the state government and provides an easy way for the public to find, access and reuse public datasets. The first phase of the initiative which commenced in 2011 is what culminated in the launch of the Open Data Portal in September 2013. The focus of the initiative is “to establish a broader framework for an Open Government ecosystem in the state.”<sup>49</sup> It is said to be the first sub-national portal in Africa and it contains more than 100 datasets which is freely available and accessible to the public for use and reuse.<sup>50</sup> The initiative provides platforms to citizens, including an Open Data Platform, Citizen Engagement Platform, an Innovation Platform, Public Service Platform and an Institutional Platform. The data and information available on the site is licensed under a Creative Commons attribution (CC-BY) licence.<sup>51</sup> It is reported that the “Edo State Open Data Portal is now being reused by the developer’s community and is providing citizens of Edo state with free access to high-value, government data.”<sup>52</sup>

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<sup>46</sup> Owens (2013).

<sup>47</sup> Clinton (2013).

<sup>48</sup> Edo State Open Data Portal, ‘Terms of Use’, <http://www.data.edostate.gov.ng/terms-of-use>.

<sup>49</sup> Bujoreanu et al. (2014). See the introductory section on page 1.

<sup>50</sup> Ibid at. 11.

<sup>51</sup> Edo State Open Data Portal, above n 48.

<sup>52</sup> Bujoreanu et al. (2014).

Currently, the Edo State government through [www.data.edostate.gov.ng](http://www.data.edostate.gov.ng), makes available a large number of dataset records under the Creative Commons Attribution 3.0 Licence.<sup>53</sup> At the core of this initiative are three deliverables namely participation, transparency and collaboration which are hinged on five objectives namely:

1. Increase citizen access to quality social services and basic infrastructure;
2. Promote partnerships between government and the private sector;
3. Increase the transparency and accountability of government;
4. Strengthen prudent economic management (i.e., improved expenditure management); and
5. Make governance more inclusive by expanding the use of broad-based consultative for all, especially for policy design and implementation.

All five objectives listed above work towards delivering one or all of the three deliverables of participation, transparency or/and collaboration. These deliverables have been identified as crucial ingredients for development.<sup>54</sup>

## 4.1 Participation

This is about giving the people the opportunity to be involved in governance. It is focused on providing a platform for citizen engagement and direct involvement in decision making. Participation in governance by members of the society is a fundamental part of democracy.<sup>55</sup> The recognition of the equality of all citizens as well as openness are integral parts of the democratic mechanism.<sup>56</sup> Citizen engagement for certain decisions of government is basically determined by access to information, therefore access to public sector information promotes democratic ideals.<sup>57</sup>

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<sup>53</sup> Edo State Open Data, Terms of Use: License, <http://50.57.74.15/es/terms-of-use>. See where it was stated that “The data and information available through [data.edostate.gov.ng](http://data.edostate.gov.ng), including any dataset records (meta-data), are licensed under the Creative Commons By Attribution 3.0 Unported License (CC-BY). The text of this license is available at <https://creativecommons.org/licenses/by/3.0/legalcode> and is hereby incorporated by reference.... Edo State encourages others (such as civil society organizations and Development Partners) to contribute data to be available on [data.edostate.gov.ng](http://data.edostate.gov.ng) as Open Data. Data from other sources may be submitted to [data.edostate.gov.ng](http://data.edostate.gov.ng) provided that such data are licensed under CC-BY, are in the public domain, or are licensed under another license that ensures the interoperability of such data with data licensed under CC-BY.

<sup>54</sup> Carothers and Brechenmacher (2014). Accountability, transparency, participation and inclusion were the four crucial principles identified in the article for development.

<sup>55</sup> Michels (2011), p. 275. See where it was noted that “Citizen participation is usually considered a valuable element of democratic citizenship and democratic decision-making. Many theorists claim that citizen participation has positive effects on the quality of democracy.”

<sup>56</sup> U.S. Congress, ‘Declaration of Independence’ (1776), [http://www.archives.gov/exhibits/charters/declaration\\_transcript.html](http://www.archives.gov/exhibits/charters/declaration_transcript.html).

<sup>57</sup> DeBardeleben and Pammett (2009), pp. 17–41. See generally the chapter on “Citizen Participation and Democratic Deficits: Considerations from the Perspective of Democratic Theory by Mark E Warren and specifically at page 17 where he noted that “Governments should be

Participation is thus best achieved when information is made available and accessible and the people are fully and duly informed. This is exactly what the Edo State government has set out to do and the open data portal is the platform that both makes the requisite information available and accessible.

## 4.2 *Transparency*

John Acton the first Baron of Acton has been credited to have said that “power tends to corrupt, and absolute power corrupts absolutely”.<sup>58</sup> Transparency forestalls such corruption. It places a sense of responsibility on the leaders to act with care and caution because they must be accountable for their actions and decisions. Transparency therefore refers to the responsibilities placed on leaders to be accountable, the right and duty on citizens to request to know and the opportunity for citizens to be made aware of the activities of government inclusive of budgetary, procurement, administrative and regulatory issues.<sup>59</sup>

Transparency is manifest through timely freedom of access to information. This enables good governance, curbs corruption and other illegal activities. Uhilir noted that “the more information that is openly available from the government and about the government, the less likely it will be that government is able to hide illegal acts, corruption and misrule. Conversely, excessive secrecy breeds tyranny”.<sup>60</sup>

## 4.3 *Collaboration*

This is the recognition that despite our diversities, the force of unity can bring about greater output. It is the understanding that “two is better than one because they have a good reward for their labour”.<sup>61</sup> It has been described as “both a process (a series of events) and an outcome (a synthesis of different perspectives).”<sup>62</sup> It is about doing things together. Collaboration in the context of the Edo State open data portal initia-

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responsive to citizens as a consequence of citizen participation, through elections, pressure, public deliberation, petitioning, or other conduits. For these forms of participation to function democratically, all affected by the decisions of a government should have the opportunity to influence those decisions, in proportion to their stake in the outcome”.

<sup>58</sup> Venter (2015), p. 19.

<sup>59</sup> Open Government Initiative in Edo State: Fostering An Ecosystem of Collaboration and Transparency. (2014). See page 1 where it was noted that “Transparency concerns the ability of people to understand how government works and how it performs, from public expenditure and service delivery to procurement and regulations”.

<sup>60</sup> Uhilir (2010), p. 216.

<sup>61</sup> The Holy Bible: King James version (Hendrickson Bibles. 2011). See Eccl 4:9.

<sup>62</sup> Deborah (2005).

tive is a clear statement by government that they are not interested in working as a monopoly but rather that they are a platform for all to bring in their ideas which can be jointly and collectively used for the common good. Collaboration saves cost and energy. It pulls together the multiple resources and enables collective responsibility.

#### ***4.4 Achievements/Outputs***

The initiative which targeted changing the way citizens' access and engage with government is already doing so. In the 2012 election, the Governor who supported this initiative was returned for a second term with an increased majority "in an election widely touted as relatively free and fair".<sup>63</sup>

Other achievements/outputs of the initiative are the continuous selection and release of digitized government data by the open data portal manager. As well as the monthly release of new data visualization which highlights novel approaches to extrapolating value from existing data sets.

Citizen engagement with government data is another major achievement. The developer's community is now using and reusing this data set, the citizens have free access to high-value government data and this interaction with the data has brought about the establishment of a data digitalization unit and a Geographical Information System (GIS) unit as well as a growth in the development of a GIS industry.<sup>64</sup>

The success of the Edo State Open Data Portal is serving as an inspiration and a challenge to other governmental bodies to embrace open government initiatives. The Central Bank of Nigeria and the Federal Government of Nigeria have both developed open portals where government information may be freely accessed.<sup>65</sup> The provision of such platforms enables access to knowledge, particularly knowledge created by Nigerians. By this Nigeria is not just using available knowledge, it is also contributing to the global pool of available and accessible knowledge.

### **5 Dipping and Dropping/Consumer-Contributor Quagmire**

The value placed on a database, databank or repository has a lot to do with the quantity and quality of content fed into it as well as the traffic that occurs on such sites. The Internet provides an unprecedented platform to both make available and access information. This platform is what "open initiatives" build upon in providing access

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<sup>63</sup> Bujoreanu et al. (2014).

<sup>64</sup> Ibid 5.

<sup>65</sup> CBN, 'Central Bank of Nigeria Statistics Database', <http://statistics.cbn.gov.ng/cbn-onlinestats/>. See also Nigeria, Nigeria Data Portal, available at <http://nigeria.opendataforafrica.org/>.

to journal articles, public sector information, government data and educational resources. This platform is such that anyone with a computer device, Internet connection and the requisite authorisations will be able to upload, download and generally access information. There are several groups involved in the access to knowledge chain. The access to knowledge chain refers to the process and people involved in the creation, availability and accessibility of content. Two broad groups are of importance to this discussion namely; consumers (users) and contributors (creators). Consumers in this context implies 'users' of content. This group is made of those who basically access, use and reuse content provided via the Internet. Contributors on the other hand are those who populate the repositories, databank or database by making content available on the Internet.

The dipping-dropping/consumer-contributor relationship is important in the access to knowledge chain because of the indispensable and immeasurable worth of collaboration. Isaac Newton captured it this way when he said "if I have seen further it was by standing on the shoulder of giants."<sup>66</sup> Similarly, the BOAI expressed it as "share the learning of the rich with the poor and the poor with the rich."<sup>67</sup> The mutuality of dipping and dropping, taking and putting in is important to strengthening the access to knowledge chain. This is even more important for Africa because content accessible is based on content available and content available is based on content made available. Thus, if Africa desires to play a role in the access to knowledge chain, it is important that African developed contents are systematically made available through an organised and sustained mechanism. Failing to do this will mean that the available content (mostly western based content) is what will be globally accessed. It also means that Africans are depriving the world of the benefit of their knowledge. Remember that the quality of a database is determined by the quantity and quality of the content used in populating it. If Africans fail to make available their works then such works may not be built upon and the spirit of collaboration and sharing may be defeated.

In conclusion, open policies are about strategies and initiatives that encourage and provide needed platforms for sharing and access. The several examples mentioned demonstrate the utility value of open access to knowledge as a tool for development. The open data portal put in place by the Edo State government is enabling their citizens and indeed anyone around the world to access information in the custody of government. More of these initiatives that enable access to information must be encouraged as they are key to enabling accessibility and visibility and they will also provide the needed platforms for use, reuse and sharing of information. They will also enable transparency, participation and collaboration and this will in turn bring about development.

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<sup>66</sup> Isaac Newton, *From a letter written by Isaac Newton to Robert Hooke, 5 Feb. 1676, (1676).*

<sup>67</sup> Budapest Open Access Initiative, [www.opensocietyfoundations.org/openaccess/read](http://www.opensocietyfoundations.org/openaccess/read). (2002).

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# Copyright in the Palestinian Territories: Setting the Scene



Rawan Al-Tamimi

## 1 Palestine and the Dilemma of Copyright

Discussing copyright within the complexity of the political situation of the Palestinian Territories<sup>1</sup> might seem too remote. However, it is not. Copyright regulations are essential for building the future Palestinian state. Further, it is vital for the Palestinian culture and development even under the current political position. That is, for Palestine, copyright regulations must be at the core of policymakers' considerations because copyright regulates "information; the essence of freedom and enlightenment".<sup>2</sup>

The copyright dilemma in Palestine might be divided into three folds. First, the old context of the current copyright law; second, the absence of supportive legal mechanisms to enforce the law. Third, the low appreciation of copyright protection amongst both the society and policymakers. However, this chapter does not attempt to supply a solution for each of these folds, rather it dusts off the old copyright law in the Palestinian Territories, and provides a fresh discussion about a neglected, though an important branch of law which regulates and interacts with the daily life of Palestinians.

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<sup>1</sup>The name 'Palestinian Territories' is in accordance with the relevant resolutions and decisions of the General Assembly and Security Council. References to the Occupied Palestinian Territory or Territories pertain to the Gaza Strip and the West Bank, including East Jerusalem. References to the "State of Palestine" are consistent with the vision expressed in Security Council resolution 1397 (2002) which affirms a vision of a region where two States, Israel and Palestine, lived side by side within secure and recognized borders; General Assembly resolution 67/19 (2012) which upgraded Palestine to a non-member observer state in the United Nations. Thus, this Chapter is using both terms: the Palestinian Territories and Palestine in indication to the West Bank including East Jerusalem and the Gaza Strip.

<sup>2</sup>Atkinson and Fitzgerald (2014), p. 4.

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It is remarkable that the statutory basis of copyright protection in the Palestinian Territories (the West Bank and Gaza Strip) has remained virtually unchanged since the period of the British Mandate of Palestine.<sup>3</sup> The *Copyright Ordinance* 1924<sup>4</sup> which extended the *Imperial Copyright Act 1911* to Palestine is the relevant and applicable law in both territories. Israeli military legislation regarding intellectual property has been extremely sparse and relegated mainly to procedural matters. Therefore, the *Imperial Copyright Act 1911* in Palestine “has survived the British-Jordanian-Israeli-Palestinian rule and is probably the last stronghold of the Imperial Act.”<sup>5</sup> Later, almost half a century after the Mandate, legislating a new or modified copyright law in the Palestinian Territories became possible due to the establishment of the Palestinian Authority (PA) in 1994 by the *Oslo Accords*. However, this possibility has been challenged by several political and legislative obstacles.<sup>6</sup> The political situation became more severe. The peace process stopped, and the *Oslo Accords* failed to reach the intended results.

Setting the scene of copyright in Palestine is the aim of this chapter. Section 2 highlights the main players and obstacles that effect and interact with upholding a copyright system in Palestine. In particular, it discusses the effect of the political and legislative status of Palestine on the ability to legislate copyright law. This discussion depends on the *Oslo Accords*—as the legal framework, the Palestinian Authority (PA)—as the self-governmental body in charge, and the Palestinian Legislative Council (PLC) which has ceased to function since 2007. Section 3 argues for the necessity of legislating copyright law in Palestine under the current legislative mechanism that is the Presidential Decrees. It supports its argument through showing the urgent need of the locals to have an effective copyright system in place, and highlights the link between copyright regulations and access to knowledge, especially in the current financial crises of the higher education in Palestine. Section 4 presents an overview of the current copyright law in Palestine and briefly assesses the law against the developments in the international copyright system. Section 5 argues for reform and advocates for switching to fair use as a flexible tool to exceptions and limitations on copyright.

## 2 Copyright Law and the Political and Legislative Status of the Palestinian Territories

Regulating the field of copyright law in the Palestinian Territories raises questions related to the ability to do so within the unique political and legislative circumstances of this part of the world. This section clarifies the political and legislative

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<sup>3</sup>The Mandate for Palestine (1924–1948). This was upon a decision of the Council of the League of Nations on July 24, 1922. However, the Mandate was not operative until the Council of the League of Nations approved it on September 29, 1923.

<sup>4</sup>*Copyright Act 1911* (Extension to Palestine) Order 1924, 114 OG 643 (21 March 1924).

<sup>5</sup>Birnhack and Khoury (2016), p. 16. [hereinafter Birnhack and Khoury].

<sup>6</sup>As illustrated later.

context of the Palestinian Territories and its implications on the ability to regulate the copyright field.

## 2.1 *The Political Status of the Palestinian Territories*

Historic Palestine was dissected into three territorial areas on May 14, 1948.<sup>7</sup> The Jewish Agency for Palestine decided unilaterally to declare a sovereign state in the largest part of these areas, ruled by a provisional government. That action resulted in the establishment of what is now known as the State of Israel. The second largest portion of Palestine was subsequently called the West Bank and the third part, the Gaza Strip.

On June 1967 the West Bank and Gaza Strip were occupied by Israel. Immediately after the 1967 war, the Israeli Military Commander in the West Bank published Proclamation No. 2 concerning the assumption of Government by the Israeli Defense Forces. Section 2 states that:

All laws which were in force in the area on June 7, 1967, shall continue to be in force as far as they do not contradict this or any other proclamation or order made by me (the West Bank area Commander) or conflict with the changes arising by virtue of the occupation of the Israel Defense Forces of the area.<sup>8</sup>

Therefore, the Israeli Military government assumed all legislative, executive and judicial powers and exercised these powers as a *de facto* sovereign of the West Bank and Gaza Strip, without any formal annexation of land.<sup>9</sup>

Later, the *Oslo Accords* agreed upon by the Palestine Liberation Organization (PLO) and Israel from 1993 to 1995 consist of *Oslo Accord I* signed in Washington, D.C., in 1993, and *Oslo Accord II*, signed in Taba, in 1995. The Accords were named after the Norway's capital city, where the secret negotiations took place between the PLO and Israel. The Accords consist of these main agreements: The *Declaration of*

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<sup>7</sup>By the time the British left Palestine on 14 May 1948, 380,000 Palestinians had been forced from their homes by armed groups, following the Declaration of Independence of the State of Israel by David Ben-Gurion on 14 May 1948. By the end of 1949, Israel had expanded its territorial holdings to 78% of mandatory Palestine, and Palestinians had suffered wide displacement, lost their homes and large amounts of cultivated land—in what became known the *Nakba* (“catastrophe”). In 1949 the West Bank and Gaza were outside the Israeli control, to be left under the control of Jordan and Egypt. By 1950 the new United Nations Relief and Works Agency for Palestinian Refugees in the Middle East (UNRWA) had registered 914,221 refugees. See Palestinian Academic Society for the study of International Affairs (2013) Fragmenting Palestine - Formulas for the Partition since the British Mandate, [http://www.passia.org/publications/bulletins/Partition/Partition\\_Plan1792013.pdf](http://www.passia.org/publications/bulletins/Partition/Partition_Plan1792013.pdf). (Accessed 20.4.2017).

<sup>8</sup>Cited in Shehadeh and Kuttub (1980) The West Bank and the Rule of Law, The International Commission of Jurists and its West Bank Affiliate, Law in the Service of Man, p. 1, <http://www.alhaq.org/publications/publications-index/item/the-west-bank-and-the-rule-of-law>. (Accessed 20.4.2017).

<sup>9</sup>With the exception of Jerusalem which has been formally annexed by Israel.

*Principles* signed in 1993 (DOP),<sup>10</sup> the *Agreement on the Gaza Strip and the Jericho Area* signed in 1994 (Gaza-Jericho Agreement),<sup>11</sup> and the *Interim Agreement on the West Bank and Gaza Strip* signed in 1995 (Interim Agreement).<sup>12</sup>

The *Oslo Accords* resulted in the existence of the PA and inspired efforts to build autonomous structures for Palestinian self-rule. The following subsections explain the PA, the current status of the *Oslo Accords* and their implications on the copyright field.

### 2.1.1 What Is the PA?

The DOP states:

The aim of the Israeli-Palestinian negotiations within the current Middle East peace process is ...to establish a Palestinian Interim Self-Government Authority ... for the Palestinian people in the West Bank and Gaza Strip leading to permanent settlement for a transitional period not exceeding five years...<sup>13</sup>

Accordingly, the DOP calls for a two-staged agreement for the political process: an interim period of 5 years, followed by a permanent status settlement based on Security Council Resolution 242 and 338.<sup>14</sup> Thus, the PA is an interim self-government authority which was inaugurated pursuant to the *Gaza- Jericho Agreement*.<sup>15</sup>

The *Oslo Accords* and subsequent agreements<sup>16</sup> between the PLO and Israel have formed the framework within which the constitutional basis and legal system of the PA were formed.<sup>17</sup>

<sup>10</sup> *Declaration of Principles on Interim Self-Government Arrangements*, Israel – PLO, 13 September 1993. [Hereinafter DOP].

<sup>11</sup> *Agreement on the Gaza Strip and the Jericho Area*, PLO-Israel, 4. May. 1994. [Hereinafter *Gaza-Jericho Agreement*].

<sup>12</sup> *The Israeli-Palestinian Interim Agreement on the West Bank and Gaza Strip*, Israel - PLO, 28. September. 1995. [Hereinafter *Interim Agreement*].

<sup>13</sup> DOP, above n 10, Article I.

<sup>14</sup> DOP, above n 10, Article I. On 22 November 1967, the United Nations Security Council passed Resolution 242, which called for Israel to withdraw from territories occupied in 1967 in exchange for peace with its neighbors. See full text of the Resolution <http://unispal.un.org/unispal.nsf/0/7D35E1F729DF491C85256EE700686136>. The idea of “land for peace” has since prevailed, and formed the basis for future negotiations over the status of Palestine. See, Palestinian Academic Society for the Study of International Affairs, *Fragmenting Palestine: Formulas for the Partition since the British Mandate*, May (2013); Resolution 338, adopted on 22 October 1973 by the United Nations Security Council, reiterates the importance of Resolution 242, and calls upon the sides to begin negotiations with the aim of achieving a just and durable peace. For full text see, <http://unispal.un.org/unispal.nsf/0/7FB7C26FCBE80A31852560C50065F878>.

<sup>15</sup> *Gaza-Jericho Agreement*, above n 11.

<sup>16</sup> These agreements are: *Protocol Concerning the Redeployment in Hebron* (January 1997); *Wye River Memorandum* (October 1998); *Sharm el-Sheikh Memorandum* (September 1999); *Agreement on Movement and Access* (November 2005).

<sup>17</sup> Sayigh and Shikaki (1999) *Strengthening Palestinian Public Institutions*. Independent Task Force Report. <https://www.pcpsr.org/sites/default/files/strengtheningpalinstfull.pdf>. (Accessed 20.4.2017).

Thus, the basic effect of the *Interim Agreement* is the creation of the PA, which possesses limited executive, legislative, and judicial powers. Article I (1) of the *Interim Agreement* titled ‘Transfer of Authority’ stipulates:

Israel shall transfer powers and responsibilities as specified in this Agreement from the Israeli military government and its Civil Administration to the Council in accordance with this Agreement. Israel shall continue to exercise powers and responsibilities not so transferred.

The PA jurisdiction is limited in all aspects; territorial, functional and personal. The territorial jurisdiction<sup>18</sup> of the PA encompasses the Gaza Strip excluding settlements and the military installation area, and the West Bank excluding area C.<sup>19</sup> Functional jurisdiction extends to all powers and responsibilities transferred to the Council,<sup>20</sup> and covers area C, except issues left for permanent status.<sup>21</sup> Israel still has the power to issue military orders unilaterally since powers accorded to the Council are very generic. In other words, Israel still has some functional powers within zones not transferred to the Council and retains all functional powers regarding Israelis who live within the West Bank and Gaza Strip.<sup>22</sup> Regarding the personal jurisdiction of the PA, Israelis who live in the West Bank and Gaza Strip are excluded from its jurisdiction.<sup>23</sup> Criminal jurisdiction over Israelis is always under Israeli authority; civil jurisdiction over Israelis is excluded from the Council’s jurisdiction. Moreover, the Agreement excluded from the PA’s jurisdiction all matters regarding foreign relations with the exception of some economic agreements.

To conclude, the PA’s Autonomy under the *Oslo Accords* is neither an absolute Territorial Autonomy, as the PA does not control the entire area of the West Bank and Gaza Strip,<sup>24</sup> nor an absolute Personal Autonomy, as the PA’s Jurisdiction does not extend to all persons living in the West Bank and Gaza Strip.<sup>25</sup> Consequently, one of the objectives of the *Interim Agreement* is “to establish an autonomous

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<sup>18</sup> Territorial jurisdiction includes land, subsoil and territorial water, Article ((XVII) (2) (a)) of the *Interim Agreement*.

<sup>19</sup> According to the *Interim Agreement* (Article XI), the Palestinian land occupied in 1967 was divided to three parts (A, B, C). The PA has complete territorial power over part A which consists of 18% of the land. And it only possessed a control over the civil administration in part B, which consists of about 22% of the land, leaving the security matters for Israel. Part C consists of 60% of the land, is under the complete control of Israel.

<sup>20</sup> Article ((XVII) (2) (b)) Of the *Interim Agreement*, in accordance to the Agreement, the powers and responsibilities of the PA cover: agriculture, health, education, land registration, local government and parks.

<sup>21</sup> Issues left for final status negotiations: Jerusalem, settlements, specified military locations, Palestinian refugees, borders, foreign relations and Israelis and the powers and responsibilities not transferred to the Council. *The Interim Agreement*, Article (XVII) (1).

<sup>22</sup> Khalil (2003), p. 48.

<sup>23</sup> *The Interim Agreement*, above n 12, Article (XVII.2.c).

<sup>24</sup> Settlements and military areas are excluded.

<sup>25</sup> Israelis who live in the West Bank and Gaza Strip are excluded from the PA’s Jurisdiction.



authority enjoying functional but not territorial powers”.<sup>26</sup> This is a result of the context in which Israel was never interested in administrating the affairs of Palestinians in the Occupied Areas. A Palestinian Authority was thus established and functional jurisdiction transferred while Israel has remained the source of all authority.<sup>27</sup> Further, the PA does not have powers in the sphere of foreign relations. It is only authorized to conclude certain international economic agreements, agreements with donor countries, international development agreements, and cultural, scientific, and educational agreements. The consequences of the *Oslo Accords* do not demolish the fact that Palestinians remain subject to overall Israeli belligerent occupation.<sup>28</sup>

Final status as designated in the *Interim Agreement* at the end of the 5 years period from the transfer of authority to the PA had never been achieved. Lack of progress on the peace process with Israel has led the PA's head to consider alternative pathways toward a Palestinian state, based on the strategy of obtaining more widespread international recognition of Palestinian statehood in the West Bank (including East Jerusalem) and the Gaza Strip.<sup>29</sup>

So far, Palestine has succeeded in acquiring full membership as a *state* at the United Nations Educational, Scientific and Cultural Organization (UNESCO). Further, on the 29 November 2012, the United Nations General Assembly voted (138 -9) to upgrade the status of Palestine at the UN from being a ‘permanent observer *entity*’ to that of ‘non-member *statehood*’. In addition, Palestine has an observer status at the World Intellectual Property Organisation (WIPO)<sup>30</sup> and it has maintained its interest in joining the World Trade Organisation (WTO); seeking WTO observership.<sup>31</sup>

Overall, the political situation in the Palestinian Territories is complicated. However, it is fair to conclude that Palestinians will not stop seeking freedom from occupation; achieving the state of Palestine is a matter of time. While this chapter acknowledges these facts: the current governmental body (the PA) has limited jurisdictions in all aspects; the *Oslo Accords* are not ideal for the interests of Palestinians, but they also acknowledge that Palestinians should appeal in every way to improve their status; the activation of copyright law and regulations is one essential way.

Luckily, the field of intellectual property—including copyright—has fallen under the legislative jurisdiction of the PA, according to the *Oslo Accords*. The content of this jurisdiction is explained later.<sup>32</sup> However, at this point, it is essential to explain to what extent the *Oslo Accords* are binding on the Parties.

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<sup>26</sup> Shehadeh (1997), p. 14.

<sup>27</sup> Ibid.

<sup>28</sup> Samuha (2014), p. 937.

<sup>29</sup> Other alternative strategies for the West Bank. Such alternatives include encouraging greater Palestinian nonviolent resistance to Israel and even dissolving the PA altogether.

<sup>30</sup> See, <http://www.wipo.int/about-wipo/en/observers/>. <http://www.wipo.int/export/sites/www/members/en/docs/observers.pdf>.

<sup>31</sup> WTO observership is part of the Palestinian strategy called “Ending the Occupation, Establishing the State”.

<sup>32</sup> See Sect. 2.1.3.



### 2.1.2 To What Extent *Oslo Accords* Are Binding?

The Israel-PLO agreements are regarded by the two parties, and by the international community, as binding.<sup>33</sup> Since the agreements are not governed by the legal system of any state, the only other body of law that could govern them is international law.<sup>34</sup> The Israel-PLO *interim agreements* are governed by international law and, hence, are treaties.<sup>35</sup>

Although the 5 year period envisaged in the *DOP* has expired, and the *Accords* have been breached several times, the *Oslo Accords* remain binding agreements under public international law. Under Article (60) of *Vienna Convention on the Law of Treaties*,<sup>36</sup> a material breach does not per se bring a treaty to an end. It merely offers the innocent party the option of terminating the treaty. Neither of the Parties availed itself of this option.<sup>37</sup>

Thus, the *Oslo Accords* might be “politically dead, (they are) ... not legally dead”.<sup>38</sup> A party may claim material breach as a justification for avoiding obligations, but breach alone does not automatically void an international agreement.<sup>39</sup> Neither Israel nor the PA has taken the necessary steps to void the agreements; therefore, they remain valid and applicable.<sup>40</sup> Furthermore, even if some of their provisions are not relevant any more, the *Oslo Accords* should now be applied “*mutatis mutandis*”.<sup>41</sup>

As the *Oslo Accords* remain “in force”, they have many important implications on the field of copyright and intellectual property rights in general. These implications are explained below.

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<sup>33</sup> Quigley (1997), p. 470.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Vienna Convention on the Law of Treaties, opened for signature 23 May 1969, 1155 UNTS 331 (entered into force 27 January 1980).

<sup>37</sup> Rubin (2009) Israel, Occupied Territories, Max Planck Encyclopedia of Public International Law, para 32. <http://opil.ouplaw.com/view/10.1093/law:epil/9780199231690/law-9780199231690-e1301?prd=EPIL>. Accessed 14 March 2017.

<sup>38</sup> Agora: ICJ Advisory Opinion on Construction of a Wall in the Occupied Palestinian Territory: The ‘Wall’ Decisions in Legal and Political Context, Geoffrey Watson. Cited in Hollinder B, The Israeli Disengagement Plan: Unilateralism in the Face of Multilateral Agreements, <https://www.wcl.american.edu/hrbrief/13/israeli.pdf>, p. 18.

<sup>39</sup> Agora: ICJ Advisory Opinion on Construction of a Wall in the Occupied Palestinian Territory: The ‘Wall’ Decisions in Legal and Political Context, Geoffrey Watson. Cited in Brandon Hollinder, The Israeli Disengagement Plan: Unilateralism in the Face of Multilateral Agreements, <https://www.wcl.american.edu/hrbrief/13/israeli.pdf>, p. 18.

<sup>40</sup> Hollinder B, *ibid*.

<sup>41</sup> Rubin (2009), para 32, 33. Accessed 14 March 2017. The binding status of the *Oslo Accords* were asserted by separate opinion of judge Elaraby describing the 1993 Oslo Accord as “contractual and. .. legally binding on Israel” when finding the construction of the wall contrary to international law”, paragraph 2.4 (c), 253 *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory* (Advisory Opinion) [2004] ICJ Rep, 136, 253 [2.4 (c)].

### 2.1.3 The PA's Commitments to Protect Intellectual Property Rights

Appendix I of Annex III of the Israeli-Palestinian *Interim Agreement* on the West Bank and Gaza Strip titled "Protocol Concerning Civil Affairs", in its Article (23) titled "legal administration" includes substantive provisions about the form and scope of intellectual property rights protection in the Palestinian Territories. Article (23) states that "powers and responsibilities in the sphere of legal administration shall be transferred from the military government and its Civil Administration to the Palestinian side". Paragraph 4 of this Article entitled 'intellectual property rights' stipulates:

- a. Intellectual property rights include, inter alia, patents, industrial designs, trademarks, copyright and related rights, geographical indications and undisclosed information.
- b. (1) Each side shall use its best efforts to adopt in its legislation standards of protection of intellectual property compatible with those in the GATT Agreement on Trade Related Aspects of Intellectual Property (hereinafter "GATT-TRIPS").
- c. Each side will recognize the copyright and related rights in original "literary and artistic works", including in particular, musical works, computer programs and audio and visual recordings, legally originating in the areas under the jurisdiction of the other side.
- g. Without prejudice to the provisions contained in Annex IV (Protocol concerning Legal Affairs), each side will extend its administrative and judicial protection to intellectual property right-holders of the other side. The purpose of this protection is to permit effective action against any act of infringement of intellectual property rights under this Agreement, including expeditious remedies to prevent infringements, and remedies which constitute a deterrent to future infringements.

There are two points can be raised in relation to these provisions: First, intellectual property rights, in general, and copyright and related rights, in particular, fall within the legislative, judicial, and administrative jurisdiction of the PA. Second, the PA is obliged to use "its best efforts" to adopt in its legislation standards that are compatible with the *TRIPS Agreement*. In addition, it is obliged to establish an adequate judicial and administrative system to effectively prevent infringements of intellectual property rights.

Building on these provisions, one scholar argues that "the requirement to comply with the *TRIPS Agreement* in Palestine is not an academic question; it is more real and immediate than many realize and has already taken the shape of signed Palestinian commitments, a fact that few actually realize, despite the fact that Palestine is still not a member of the WTO and has not received anything in return for its concessions to the *TRIPS*."<sup>42</sup> However, it might be argued that the express language under Article 23(4)(b)(1) "shall use its best efforts" to protect intellectual property rights in a way that is compatible with the *TRIPS Agreement* standards is loose language and it implies that the protection is affected by the applicable circumstances, whether, social, cultural, economic or even legal. In addition, the fact that the *Interim Agreement* requests the PA to adopt *TRIPS* standards for the protection of the intellectual property rights in the Palestinian Territories does not imply that the PA has become officially committed to apply *TRIPS*. Therefore, it might be

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<sup>42</sup> Samman (2003), p. 64.

sensible to conclude that the PA may observe *TRIPS* standards when legislating in the field of intellectual property, however, it is not obliged to undertake standards that is against its interests as a nascent state.

A further matter, the PA has entered an Association Agreement with the European Union (EU), requiring the parties to ‘grant and ensure adequate and effective protection of intellectual, industrial and commercial property rights in accordance with the highest international standards’.<sup>43</sup>

It is worthy to note that the PA enjoys the benefit of the *Free Trade Agreement* (FTA) signed between the United States and Israel.<sup>44</sup> The United States extended its FTA with Israel to the Palestinian Authority in 1996.<sup>45</sup> However, this FTA has little to say about intellectual property.<sup>46</sup>

Moreover, as a result of the *Paris Protocol Agreement on Economic Relations* (1994), between the PLO and Israel, and since Israel is a member of the WTO, the Palestinian economy is *de-facto* committed to most of the WTO obligations. One scholar stipulates that “(t)he Palestinian economy, by virtue of its association with

<sup>43</sup> *Euro-Mediterranean Interim Association Agreement on Trade and Cooperation between the European Community, of the One Part, and the Palestine Liberation Organization (PLO) for the Benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the Other Part*, 16 July 1997, OJ L No 187/3, Art 33.

<sup>44</sup> *The US-Israel FTA* (1985), 25 ILM 653.

<sup>45</sup> The United States extended the Free Trade Agreement with Israel to include the West Bank and Gaza Strip by issuing a Presidential Proclamation in 1996, see, *Proclamation 6955 To Provide Duty-Free Treatment to Products of the West Bank and Gaza Strip and Qualifying Industrial Zones*, 61 Fed Reg 58761, (13 November 1996). On the other side, a Palestinian Ministerial Decision accepting reciprocity as indicated at the official website of the Palestinian Ministry of National Economy, see <http://www.mne.gov.ps/agreements.aspx?lng=2&tabindex=100&m=0>.

<sup>46</sup> Birnhack and Khoury (2016), p. 9. A one-paragraph statement reaffirmed the two countries’ obligations under bilateral and multilateral agreements. See Art 14 of the US-Israel FTA (1985), 25 ILM 653. Article 14 states: “The Parties reaffirm their obligations under bilateral and multilateral agreements relating to intellectual property rights, including industrial property rights, in effect between the Parties. Accordingly, nationals and companies of each Party shall continue to be accorded national and most favored nation treatment with respect to obtaining, maintaining and enforcing patents of invention, with respect to obtaining and enforcing copyrights, and with respect to rights in trademarks, service marks, tradenames, trade labels, and industrial property of all kinds”. “The reference to bilateral agreements in Article 14 is designed to acknowledge commitments made by the United States and Israel under a 1948 *Treaty of Friendship, Commerce and Navigation* (FCN). This treaty addresses the issue of national treatment in the area of intellectual property rights, including, for example, patents, trademarks and copyright. The obligations under the FTA reaffirm the bilateral and multilateral commitments undertaken in the area of intellectual property rights prior to the negotiation of the FTA. The Parties reaffirm their obligations under bilateral and multilateral agreements relating to intellectual property rights, including industrial property rights, in effect between the Parties. Accordingly, nationals and companies of each Party shall continue to be accorded national and most favored nation treatment with respect to obtaining, maintaining and enforcing patents of invention, with respect to obtaining and enforcing copyrights, and with respect to rights in trademarks, service marks, tradenames, trade labels, and industrial property of all kinds.” See, *Free Trade Agreement between Israel and the United States, Questions and replies*, (27. August. 1986) <https://docs.wto.org/gattdocs/q/GG/L6199/6019.PDF>. Accessed 24 March 2017.

the Israeli trade regime, had to bear all the costs of trade liberalization inherent in the WTO membership, while having access to few of the benefits of liberalization and WTO accession.”<sup>47</sup> Consequently, it is argued that these commitments under the previous aforementioned instruments have put Palestine in a disadvantaged position where it has to uphold the *TRIPS Agreement* standards while not enjoying the benefits of being a member state.<sup>48</sup>

Overall, the PA is not officially committed to any of the Israeli’s agreements in the field of intellectual property. However, as discussed above, due to the occupation and an integrated economy, the Palestinian Territories are affected by Israel’s obligations in this field, without enjoying any benefits in return.

## 2.2 *The Legislative Process Under the Palestinian Authority*

Legislating a new or modified copyright law in Palestine requires us to understand the current legislative framework. Therefore, it is essential to outline the current legislative process and its influence on legislating a new copyright law and regulations.

The inauguration of the Palestinian Legislative Council after the elections on the 20th of January 1996 and the legislation of the *Modified Palestinian Basic Law in 2003*,<sup>49</sup> the Palestinian Legislative Council became legally the official legislative jurisdiction.<sup>50</sup> However, the Council has ceased to operate since 2007, after the elections of 2006. When the Hamas Party won the 2006 elections, a political division occurred between the two main parties—Hamas and Fatah—since 2007. This has deeply affected the legislative process. Dual governmental and legislative systems are the fruit of this division.<sup>51</sup>

### 2.2.1 *The Legislative Process Before 2007*

When the PLC was fully operating before 2007, the legislative process<sup>52</sup> within the PLC must pass through three stages: three readings of any draft law, deliberation and, finally, the signing of approved laws by the PA’s president. The PLC started a

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<sup>47</sup> Hussein (2003), p. 527.

<sup>48</sup> Hijazi and Schloemann (2013), p. 12.

<sup>49</sup> *Modified Palestinian Basic Law 2003* (Palestine).

<sup>50</sup> Art 47 of the *Modified Palestinian Basic Law 2003*:

1. The Palestinian Legislative Council is the elected legislative authority.
2. The Legislative Council shall assume its legislative and oversight duties as prescribed in its Standing Orders, insofar as they do not contradict the provisions of this law.
3. The term of this Council shall be the interim period.

<sup>51</sup> Institute of Law - Birzeit University (2012), p. 115.

<sup>52</sup> *Internal Regulation for the PLC 2000* (Palestine), arts 65–72.

legal reform in order to consolidate laws in the West Bank and Gaza Strip. The aim of the consolidation process was to update—neglected—laws in every field and, most significantly, to reflect the interests of Palestinian people and Palestinian identity.<sup>53</sup> However, it is essential to note that the legal reform process has been criticized for being chaotic, because of the absence of an overall policy. As laws are drafted ‘it is unclear to what values they subscribe and what kind of system they are meant collectively to produce’.<sup>54</sup> Furthermore, the legislative process has been affected by political circumstances. For example; once the PA took over its responsibilities after the *Oslo Accords*, it first concentrated on political laws and later, economic laws. Therefore, the criteria for legislating laws has been affected by the requirements of each stage which has led to the absence of an overall legislative policy.<sup>55</sup>

That was the general legislative status before 2007. It indicates that the legislative branch in Palestine suffers from many points of dysfunction and the absence of adequate policies. Thus, the Palestinian legislative branch is at an early stage of development.

### 2.2.2 The Legislative Process After 2007

Currently, Presidential Decrees are the available legislative mechanism according to Article 43 of the *Modified Palestinian Basic Law*<sup>56</sup>:

The President of the National Authority shall have the right, in cases of necessity that cannot be delayed, and when the Legislative Council is not in session, to issue decrees that have the power of law. These decrees shall be presented to the Legislative Council in the first session convened after their issuance; otherwise they will cease to have the power of law. If these decrees are presented to the Legislative Council, as mentioned above, but are not approved by the latter, then they shall cease to have the power of law.

It is the right of the President of the National Authority to issue presidential decrees. These decrees are classified under exceptional legislation as opposed to the ordinary legislation where the parliament has the power to legislate. Article 43 of the Palestinian Basic Law identifies three main conditions related to the presidential decrees; the first two conditions must exist to justify issuing these decrees: first, the existence of cases of necessity that cannot be delayed; second, and when the Legislative Council is not in session. The third condition applies after the issuance of these decrees; these decrees shall be presented to the Legislative Council in the first session convened after their issuance; otherwise they will cease to have the power of law. While the second condition is applied as the Legislative Council has not been in session since 2007, and the third condition depends on the commencement of the Legislative Council in accordance to the law.

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<sup>53</sup> Almustakbal Foundation for Strategic and Policy Studies (2006), p. 9.

<sup>54</sup> Sayigh and Shikaki (1999), p. 42.

<sup>55</sup> See Kasses and Nakhleh (2009), Palestine. (Arabic).

<sup>56</sup> *Modified Palestinian Basic Law 2003* (Palestine).

The first condition is controversial as the *Basic Law* did not explain the meaning of “necessity”. This condition is deemed to be under the discretion jurisdiction of the President.<sup>57</sup> The Basic Law did not specify any conditions rather than that these cases cannot be delayed.

The Palestinian experience in this matter does not clearly identify the ‘necessity’ condition. While some issued decrees are justified on political or security bases other decrees do not reflect that sense of necessity and urgency.<sup>58</sup>

Consequently, to change the copyright law under the current legislative status in Palestine, it should be decided by the decision makers that it is a “matter of necessity” and an important reflection of shared values that cannot be delayed. From a quick review of the 150 decrees that were issued by the head of the PA since 2007 to the present time,<sup>59</sup> it is clear that there are many issued decrees that do not relate to the political or security situation.<sup>60</sup> It can be argued that regulating the copyright field is a necessity to protect the authors’ rights and it is one of the essentials for a strong knowledge economy and culture for any state.

### 3 The Necessity of a Palestinian Copyright Law

The necessity of the Palestinian copyright law is reflected through the locals’ need for a law that regulates and protects their rights which stem from their intellectual activities and works, on the one hand. On the other hand, the public needs copyright regulations that clearly protect their rights to access knowledge. These two issues are explained below.

#### 3.1 *Urgent Local Need to Protect the Palestinian’s Intellectual Works*

A system of copyright is barely functional in Palestine due to legal, judicial, and structural issues. It is not only that the law is outdated and cannot effectively operate within the current digital environment,<sup>61</sup> it is also that the judicial system is lacking

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<sup>57</sup> Towqan (2008).

<sup>58</sup> Ibid.

<sup>59</sup> See Palestinian Legal and Judicial System “Al- Muqtafi” for the number of decree of laws since 2007 to the present time. <http://muqtafi.birzeit.edu> Accessed 1 March 2017.

<sup>60</sup> For example; these decrees have been enforced recently: Presidential Decree No (2) of (2016) regarding the Customs Department; Presidential Decree No (9) (2016) Regarding the Box of Excellence and Creativity to support Education; Presidential Decree No (5) (2016) Regarding the Palestinian National School of Management. See Palestinian Legal and Judicial System “Al- Muqtafi”.

<sup>61</sup> See Sect. 4 below.

resources sufficient to properly implement copyright law.<sup>62</sup> The applicable copyright law is rarely discussed in official documents: since the creation of the PA in 1994 only a few copyright infringement cases have been reported to the courts.<sup>63</sup>

This fact does not mean that there are no copyright infringements occurring in Palestine, nor does it reflect that there are no legitimate copyright holders. On the contrary, it was recently reported<sup>64</sup> that different sectors of the Palestinian community had expressed their dissatisfaction with the current copyright system as a whole, as it fails to protect their intellectual works. Some academic scholars proclaimed that “they refrain from publishing their works due to the absence of adequate copyright protection”.<sup>65</sup> Palestinian artists, similarly, have complained that “their works are continuously duplicated and commercialized without their permission or any compensation”<sup>66</sup> These artists, consequently, “lose the economic gain from their artistic works”.<sup>67</sup> Thus it is hard to depend on their artistic works as a means for their livelihood.<sup>68</sup>

Furthermore, plagiarism has become common practice among students within Palestinian educational institutions.<sup>69</sup> This crime is committed publicly via known and established service offices; where the working papers, study and research papers are done for those who pay the price.<sup>70</sup> This phenomena also affects Palestinian authors,<sup>71</sup> as they hesitate to publish their original works of literature. It also affects the fairness and quality of the educational process in Palestine where original thought, creativity, and critical thinking are not valued and where original, hard work is equal to plagiarised work.

The rule of law, justice, and incentive, are all legitimate and powerful reasons to make urgent the matter of operating an effective copyright system in Palestine, a copyright system that is legal, judicial and regulatory. An adequate copyright system in Palestine is a local need, in other words, there are sectors of the Palestinian community that want this system to exist so they enjoy the fruit of their intellectual work. However, an adequate copyright system should not only protect the economic rights of copyright holders, it should also serve the public interest and create a

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<sup>62</sup> Palestinian Center for Development and Media Freedoms (MADA) (2015), pp. 36, 37.

<sup>63</sup> It is reported that the Public Prosecution of Palestine presented to the Magistrate Court four copyright infringement cases. Ibid.

<sup>64</sup> MADA (2015), p. 38.

<sup>65</sup> MADA (2015), *ibid.*

<sup>66</sup> MADA (2015), p. 39.

<sup>67</sup> MADA (2015), *ibid.*

<sup>68</sup> MADA (2015), *ibid.*

<sup>69</sup> MADA (2015), *ibid.*

<sup>70</sup> MADA (2015), *ibid.* See also, Al-Quds Open University, Stores to Sell Scientific Research, 24.05.2015 (Arabic) <http://www.qou.edu/viewDetails.do?id=7213>. Accessed 3 March 2017; Finder, Plagiarism: The Academic Crime, Report, 06.08.2015 (Arabic). <http://finder.ps/ar/reports-written/1427.html>. Accessed 3 March 2017.

<sup>71</sup> MADA (2015), *ibid.*



balance between the private interest of the authors, and the public and community at large. Thus, copyright regulation needs to consider the specifics of the local economic situation.

### 3.2 *Copyright and an Access Problem*

According to the Palestinian Central Bureau of Statistics (PCBS) of 2014, only 32.6% of individuals (over 10 years old) are reading books. In other words, only 3 individuals out of 10 (over 10 years old) are reading books in Palestine.<sup>72</sup> 2.9% of individuals have a membership at a public library,<sup>73</sup> 2.0% belongs to cultural clubs.<sup>74</sup> While, 35.5% of the individuals have practiced scientific and technological activities within universities frameworks.<sup>75</sup> 10.9% of individuals practice playwright and drama, and 6.1% of individuals are singing and playing music.<sup>76</sup> In addition, according to the PCBS, the results of an expenditure survey,<sup>77</sup> more than one third (34.5%) of the monthly expenditure of an average size<sup>78</sup> Palestinian family is on food.<sup>79</sup> Furthermore, the poverty percentage amongst Palestinians is 25.8% in 2011.<sup>80</sup>

From an economic perspective, Palestine is classified as a least developed country,<sup>81</sup> the economy is very weak; and when people are poor, knowledge goods are an unaffordable luxury.<sup>82</sup> In addition the economic cost of the enforcement of

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<sup>72</sup> The Palestinian Central Bureau of Statistics (PCBS) (2016), p. 36. (Arabic).

<sup>73</sup> PCBS, *ibid*, 36.

<sup>74</sup> PCBS, *ibid*.

<sup>75</sup> PCBS, *ibid*.

<sup>76</sup> PCBS, *ibid*.

<sup>77</sup> These statistics are built on the results of an expenditure and consumption survey of Palestinian Family conducted by the PCBS within the period (15.01.2011 until 14.01.2012). PCBS, *ibid*, 29.

<sup>78</sup> The average size of a Palestinian family is 6.0 individuals: 5.7 individuals in the West Bank and 6.6 individuals in Gaza Strip.

<sup>79</sup> PCBS, above n 72, 29.

<sup>80</sup> PCBS, *ibid*, 30. Precisely, the same reference states that poverty percentage is 17.8% in the West Bank, 38.8% in Gaza Strip, with extreme poverty percentage of 12.9% (7.8% in the West Bank and 21.1% in Gaza Strip).

<sup>81</sup> Assistance to the Palestinian People, GA Res 43/178, UNGAOR, 83rd plen mtg, UN Doc A/RES/43/178 (20 December 1988) <http://www.un.org/documents/ga/res/43/a43r178.htm>. Paragraph 9 of the Resolution states 'the General Assembly decides to extend to the occupied Palestinian territory the same preferential treatment accorded the least developed countries, pending the elimination of the Israeli occupation and the assumption of full control by the Palestinian people over their national economy without external interference'.

<sup>82</sup> The average per capita in Palestine in (2015) was US \$1307. Recent data show that two thirds of Palestinians are affected by food insecurity, with 33% food-insecure, 21% marginally secure and 13% vulnerable to insecurity, see Office of the United Nations Special Coordinator for the Middle East Peace Process (2016). In 2016, 1.1 million people (21% of the population) in the West Bank and 1.3 million people (73% of the population) in Gaza need some form of humanitarian assistance, see Report on UNCTAD Assistance to the Palestinian people (1. September. 2016).



copyright regulations has a severe effect on access to knowledge. That is why it is important to have a serious discussion about copyright exceptions and limitations in Palestine.<sup>83</sup> The economic situation in Palestine means that there is an intimate connection between copyright and access to knowledge.

Therefore, there is an access problem to copyright works in Palestine. An average Palestinian would not have the ability to acquire an original copy of an intellectual work, whether in its material or digital form. This is evidenced by the phenomena of photocopying, to overcome the prohibitive price of text books, which is part of the daily life of a university student, even occurring within university buildings and facilities.

Furthermore, the financial crises of the Palestinian higher education is no secret.<sup>84</sup> The dedicated budget for the Ministry of Education and Higher Education of year 2016 consists of only 0.3% of the General Budget of year 2016.<sup>85</sup> The Palestinian universities depend in their funding on aid and the tuitions the students pay.<sup>86</sup> The employees of the universities have complained that their salaries are too low and have taken strike action to create pressure to increase their salaries. Consequently, universities have increased tuition fees to compensate the increase in the employees' salaries. This has led to students starting many strikes to protest tuition fee increases.<sup>87</sup> This financial crisis also badly affects scientific research within these universities. It is argued that one of the reasons of having weak scientific research is due to the lack of information and content due to the unavailability of current scientific journals.<sup>88</sup>

Journal subscriptions are too expensive for well-established universities in developed countries. For example, Cornell University cancelled its journal subscription with Elsevier, the world's leading publisher on scientific, medical, and legal issues,<sup>89</sup> Further, Harvard University reduced the number of scientific journals it purchased from Elsevier from 131 to 35<sup>90</sup> because the publishers' practice of 'bundling'<sup>91</sup>

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Developments in the Economy of the Occupied Palestinian Territory, [http://unctad.org/en/PublicationsLibrary/app2016d1\\_en.pdf](http://unctad.org/en/PublicationsLibrary/app2016d1_en.pdf), p. 2.

<sup>83</sup> See Sect. 5 below.

<sup>84</sup> See Palestine Economic Policy Research Institute (MAS) (2011) and Bader et al. (2016).

<sup>85</sup> MASARAT, *ibid.*, 3.

<sup>86</sup> Palestine Economic Policy Research Institute (MAS) (2011), p. 1.

<sup>87</sup> The financial crisis of the Palestinian universities is a current one, and arguably, it started with the second Intifada (in 1999) and it persists to the present time. Local Palestinian newspapers and news websites are full of reports discussing and reporting this issue.

<sup>88</sup> MASARAT, *above* 84, 4.

<sup>89</sup> Štrba (2012), p. 29.

<sup>90</sup> *Ibid.*

<sup>91</sup> Bundling refers to a practice where large number of journals are classified into a single subscription. In order to buy one set of journals, the subscriber, such as Harvard University library has no alternative but to acquire other journals without the possibility of ending the subscription. Cited in Štrba, *ibid.*

journals strained the library's budget.<sup>92</sup> The circumstances are far more dire for a least developed country like Palestine, given the humble budget of Palestinian universities and their limited financial resources.

Within this context, copyright exceptions and limitations are part of the solution to the access problem. Thus, policymakers in Palestine should not ignore the immediate relation between the economic cost of accessing knowledge and copyright regulations. Access can be supported through a legal mechanism, that is, enriching exceptions and limitations in the Palestinian copyright law. In addition, established voluntary mechanisms are highly effective such as Open Educational Resources, Open Access, and Creative Commons.

## 4 Copyright in Palestine: The Law

In this section, the *Copyright Act 1911* which was extended to Palestine by the *Copyright Ordinance 1924*<sup>93</sup> is briefly explained. Then, the law is assessed against the development of international copyright law that occurred after the *Berlin revision* of the *Berne Convention* to capture what is missing in the current Palestinian copyright law.

### 4.1 The Law

Mandatory copyright law was composed of two instruments of primary legislation. The substantive principles were laid down in the *Imperial Copyright Act 1911*, which was extended to Palestine in 1924. The *Copyright Ordinance 1924* supplemented it, and this repealed the Ottoman Act and the 1920 Ordinance.<sup>94</sup>

Therefore, today, copyright law in the West Bank and Gaza consists entirely of legislation from the period of the British Mandate, since not Jordan, Egypt, or Israel has made any changes to the original mandated copyright regime. The *Copyright*

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<sup>92</sup> Harvard University, "Libraries take a stand: Journals present rising costs to libraries—and to scholarship", Harvard Gazette Archives, February 5, 2004. Cited in *ibid*.

<sup>93</sup> In addition to this main legislation, the following are secondary legislation in force in the Palestinian Territories: Copyright Regulation, 1929; Copyright (Rome Convention) (Latvia) Order No 97, 1937; Copyright (Rome Convention) (Morocco (Spanish Zone)) Order No 155, 1935; Copyright (Rome Convention) (Vatican City) Order No 999, 1935; Copyright (Rome Convention) Order NO 253, 1933. Act Concerning Publishing and Copyright in Music, 1906; Act Concerning Publishing and Copyright in Fine Arts, 1862. See, Palestinian Legal and Judicial System "Al-muqtafi".

<sup>94</sup> First paragraph of the Preamble of the *1924 Ordinance* and Sect. 5.

*Act 1911* was modified only slightly by the British High Commissioner in the *Copyright Ordinance 1924*.<sup>95</sup>

The Imperial Act, which once applied to a number of British dominions,<sup>96</sup> set the general structure of copyright, it defined the subject matter of copyright law (originally literary, dramatic, musical, and artistic works)<sup>97</sup>; the scope of legal protection (the sole right of the owner to produce, reproduce, or publish a translation of the work, to perform or deliver it in public)<sup>98</sup>; some defences (fair dealing,<sup>99</sup> reuse by the author,<sup>100</sup> publicly located sculptures,<sup>101</sup> educational use,<sup>102</sup> news reporting)<sup>103</sup>; the duration of copyright (life plus 50 years)<sup>104</sup>; rules of ownership<sup>105</sup>; civil remedies<sup>106</sup>; importation of copies,<sup>107</sup> and some special provisions for certain works (joint works,<sup>108</sup> posthumous works,<sup>109</sup> government publications,<sup>110</sup> mechanical instruments,<sup>111</sup> political speeches,<sup>112</sup> photographs,<sup>113</sup> foreign works).<sup>114</sup> The Act did not include moral rights.<sup>115</sup>

The *Copyright Act 1911* was intended for British domestic application and for application or adoption in various British dominions. The Act is “clearly drafted, it is relatively exhaustive in scope and detail, and its substance is balanced and

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<sup>95</sup> The aim of this Ordinance is ‘to make provision for the application of the *Copyright Act 1911* in Palestine’, providing that this Act should be read as modified by said Ordinance. However, the modifications to the *Copyright Act 1911* were minor and resulted mainly from the fact that this Act has been enforced in a different country instead of the United Kingdom. Samman (2003), p. 31.

<sup>96</sup> For example, the *Copyright Act 1911* was adapted to circumstances and enacted by the then self-governing dominions of Australia (Copyright Act 1912); the Union of South Africa (Patents, Designs, Trade Marks and Copyright Act 1916); New Zealand (New Zealand Copyright Act 1913, certified April 1914); Canada (Copyright Act of Canada 1923, certified 1923); and India the Act came into force on 30 October 1912.

<sup>97</sup> *Copyright Act 1911*, Article 1(1).

<sup>98</sup> *Ibid*, art 1(2).

<sup>99</sup> *Ibid*, art 2(1) (i).

<sup>100</sup> *Ibid*, art 2(1) (ii).

<sup>101</sup> *Ibid*, art 2(1) (iii).

<sup>102</sup> *Ibid*, art 2 (1) (iv).

<sup>103</sup> *Ibid*, art (1) (v).

<sup>104</sup> *Ibid*, art 3.

<sup>105</sup> *Ibid*, art 5.

<sup>106</sup> *Ibid*, art 6.

<sup>107</sup> *Ibid*, art 14.

<sup>108</sup> *Id*, art 16.

<sup>109</sup> *Id*, art 17.

<sup>110</sup> *Id*, art 18.

<sup>111</sup> *Id*, art 19.

<sup>112</sup> *Id*, art 20.

<sup>113</sup> *Id*, art 21.

<sup>114</sup> *Id*, art 23.

<sup>115</sup> Moral rights were only incorporated in Israeli law in 1981. Birnhack (2012), p. 101.

reasonable.”<sup>116</sup> When the *Copyright Act 1911* came into force on July 1 1912, it was the first Act to bring provisions on copyright into a single Act, by revising and repealing earlier Acts<sup>117</sup> in the United Kingdom.<sup>118</sup> Furthermore, the *Copyright Act* provisions complied with the *Berne Convention (Berlin revision)*<sup>119</sup> as it stood at the time this Act came into force. It was one of the most modern copyright laws at that time.

Alexander observes<sup>120</sup>:

Some important changes required by the *Berne revision* were alterations of the term of copyright protection to a period that included the life of the author and 50 years thereafter; the addition of architecture as a subject of protection; the principle of the absence of formalities; and the integration of translation rights within copyright.<sup>121</sup> The Act adopted the performing right and the lecturing right to copyright by including within the author's exclusive rights the right to ‘perform, or in the case of lecture, to deliver’ the work. The Act protected works irrespective of their material form; i.e. works do not need to have any physical existence. Under the *1911 Act*, ‘protection had moved definitively away from the ‘book’ to the more abstract and intangible ‘work’. Copyright was also expressed in the Act to cover ‘records, perforated rolls and other contrivances by means of which sounds may be mechanically reproduced’.<sup>122</sup> Cinematographic works were included and protected as a dramatic works<sup>123</sup> leading to the creation of “neighbouring rights”.

Alexander concludes:

Overall, the *1911 Act* considerably expanded the rights of creators and owners. Moreover, by providing that these rights could be exercised in relation to different formats, whether it was translation, dramatization, performance or film adaptation, it completed the law's move away from reliance on a material form. The Act now refers to ‘works’ rather than ‘books’, ‘paintings’, ‘sculptures’ and so on.<sup>124</sup>

Thus, Palestine already had a well-structured and a comprehensive copyright law as it stood at the time of its coming into force; which makes modifying the law rather than replacing it with a new one a viable option. However, international

<sup>116</sup> See, Suthersanen and Gendreau (eds) (2013).

<sup>117</sup> These Acts were: *Licensing Act 1662*; *Statute of Anne 1709*; *International Copyright Act 1886* and the *Berne Convention 1886*.

<sup>118</sup> Intellectual Property Office of the United Kingdom, <http://www.ipo.gov.uk/types/copy/c-about/c-history.htm>.

<sup>119</sup> The 1886 text of the *Berne Convention* has been revised several times to take into account the fundamental changes in the means of creation, use and dissemination of literary and artistic works which have been taken place over the years, mostly resulting from technological development. The first major revision took place in Berlin in 1908, followed by the *Rome revision* in 1928, the *Brussels revision* in 1948, the *Stockholm revision* in 1967, and the *Paris revision* in 1971. Document prepared by the International Bureau of WIPO, International protection of copyright and related rights, [http://www.wipo.int/export/sites/www/copyright/en/activities/pdf/international\\_protection.pdf](http://www.wipo.int/export/sites/www/copyright/en/activities/pdf/international_protection.pdf).

<sup>120</sup> Alexander (2010), pp. 273–274.

<sup>121</sup> Alexander (2010), p. 266, citing Ricketson S, Ginsburg J, International Copyright 92–102.

<sup>122</sup> *Copyright Act 1911*, Article 19(1).

<sup>123</sup> Id, Article 1, and Article 35(1).

<sup>124</sup> Alexander (2010), p. 275.

copyright law has gone forward leaps and bounds since the *Berlin revision* of the *Berne Convention*, as illustrated below.

## 4.2 *Palestine and International Copyright Law*

Legally, the door is open for Palestine to be part of the international copyright system due to Palestine's full membership at the United Nations Educational, Scientific and Cultural Organisation (UNESCO), as the *Convention Establishing the World Intellectual Property Organisation*<sup>125</sup> declares that membership shall be open to any State that is a member of any of the specialized agencies of the United Nations.<sup>126</sup>

Palestine is not a party of any of the international copyright agreements or treaties.<sup>127</sup> Implementation of international copyright law in Palestine stopped with the *Berlin revision* to the *Berne Convention*. Yet, after that time the *Berne Convention* was revised several times to adapt to changes that had arisen with new technologies. The 1971 Paris Act is the last revision of the *Berne Convention*. Further, *TRIPS* entered into force in 1994, linking trade with intellectual property rights—including copyright. In addition, the *WIPO Copyright Treaty (WCT)*<sup>128</sup> and the *WIPO Performance and Phonograms Treaty (WPPT)*<sup>129</sup> came into force in 1996.

This subsection provides an overview of the main developments within the international protection of copyright and related rights under the aforementioned international instruments.

### 4.2.1 *Developments in International Copyright Law*

The *Palestinian Copyright Law* does not provide protection for the following:

1. Some exclusive rights which were protected under several international instruments, these rights are:
  - a. The right of making cinematographic adaptation and reproduction of works, and the right of distribution of the works thus adapted and reproduced (Article 14); broadcasting right (Article 11*bis*), public recitation right (Article 11*ter*), of *Berne Convention*;

<sup>125</sup> *Convention Establishing the World Intellectual Property Organization*, signed 14 July 1967 [1972] UNTS 11853 (entered into force 26 April 1970).

<sup>126</sup> *Ibid*, art 5(2) (i).

<sup>127</sup> However, it might be bound to uphold the TRIPS standards due to bilateral agreements, see Sect. 2.1.3 above.

<sup>128</sup> *WIPO Copyright Treaty*, signed 20. Dec.1996, S. TREATY DOC. No. 105-17, 36 I.L.M. 65 (entered into force 6 March 2002). [Hereinafter WCT].

<sup>129</sup> *WIPO Performances and Phonograms Treaty*, signed 20. Dec. 1996, S. TREATY Doc. No. 105-17, 36 I.L.M. 76 (entered into force 20 May 2002). [Hereinafter WPPT].

- b. The rental right under *TRIPS* Agreement (Article 11), under the *WCT* (Article 7), and under the *WPPT* (Article 9 and 13);
  - c. The right of communication to the public under the *WCT* (Article 8), right of making available of fixed performances under the *WPPT* (Article 10), and right of making available of phonograms under the *WPPT* (Article 14);
  - d. The distribution rights of authors under the *WCT* (Article 6(1)), and performers and phonograms producers under the *WPPT* (Article 8 and 12).
2. The adoption of the three-step test in 1967 by the *Stockholm Act* of the *Berne Convention*; and its later adoption by the *TRIPS Agreement* (Article 13), the *WCT* (Article 10), and the *WPPT* (Article 16), and its application on all protected exclusive rights under these instruments.
  3. The protection of the computer programs under *TRIPS* and the *WCT* (Articles 10 and 4 respectively).
  4. The protection of compilations of data under *TRIPS* and *WCT* (Articles 10 and 5 respectively).

It is clear that the international copyright law has dramatically developed to adapt to the technological advancement and its direct legal effects on the copyright field. Palestine is encouraged to reform the copyright law to cope with the digital environment. However, as noted, Palestine is not a party to any of the international copyright treaties; and it does not hold a strict obligation to adopt the minimum rules of these instruments. Therefore, it might be argued that these international rules should form merely a guidance, where the Palestinian legislator may not adopt rules that do not serve the Palestinian public interest.

It is worth noting that there have been many attempts to legislate a new copyright law. The first copyright law draft was in 1998 which was influenced by other copyright laws applicable in neighboring Arab countries,<sup>130</sup> and another law drafted in 2000.<sup>131</sup> Both drafts were considered by the Palestinian Legislative Council and discussed by its specialized legal committees, however, neither of these drafts were approved. Furthermore, in 2006, the copyright law draft was reviewed and modernized again in cooperation with the UNESCO office in Ramallah. This draft was not even considered by the Palestinian Legislative Council as it ceased to function as the legislature of the PA in 2006.<sup>132</sup>

Building on the previous account, there are essential aspects of the current Palestinian copyright law which should be reformed, in particular the protected

<sup>130</sup> See the Palestinian Ministry of Culture <http://www.moc.pna.ps/page.php?id=601>; Twam (2008), p. 16; The Palestinian Ministry of Culture has been the official governmental institution administering copyright through its Copyright Unit since 1998. Currently, the Unit's main role is to spread awareness about the concept and significance of copyright among different groups of the community: the judicial branch, lawyers, Customs Department, universities and schools. Further, the Copyright Unit participates in the drafting and discussion of proposals for new copyright law.

<sup>131</sup> See the Palestinian Ministry of Culture, *ibid*; Twam (2008), *ibid*.

<sup>132</sup> Following the 2006 election and the subsequent split of Hamas and Fatah- the main political parties.

economic rights, the protection of moral rights, the protected subject matter, enforcement and penalties. However, the following section will only focus on one aspect of reforming the copyright law in Palestine, that is, exceptions and limitations on copyright.

## 5 Copyright in Palestine: Reform

It has been argued that the efficiency of copyright law depends on its bundle of exceptions and limitations as opposed to the bundle of its exclusive rights. Limitations of, and exceptions to, copyright are tools to achieve the correct balance between the competing interests of protection and access.<sup>133</sup> As Okediji states:

The effective diffusion of knowledge goods is directly related to the limitations placed on the proprietary rights of owners of such goods. Specifically with regard to education and basic scientific knowledge limitations and exceptions are an important component in creating an environment in which domestic economic initiatives and development policies can take root.<sup>134</sup>

The three-step test which was firstly adopted by the *1967 Stockholm Act* of the *Berne Convention* under Article 9(2), is incorporated to *TRIPS*, *WCT*, and *WPPT*. One point to be noted is that while the test under *Berne Convention* applies only on the exclusive right to reproduction, it is applied on all protected exclusive rights under the other instruments. Fair use and fair dealing are the main legal models for exceptions and limitations on copyright in national laws. The following account briefly states the difference between the two systems, and then advocates for switching to fair use in the Palestinian copyright law.

### 5.1 Fair Use and Fair Dealing

When it comes to exceptions and limitations of copyright, there are two systems: the first concerns an open system (fair use); the second involves a closed system (fair dealing).

The open system of exceptions is based on a statement rather than on an exhaustive list of acts which do not constitute infringements; it involves a general “clause” outlining exceptions to copyright. Although this system lacks precision, it has the advantage of flexibility.

The most significant example of an open system is that of fair use, favoured by the United States. Fair use is an equity-based doctrine that emanates from case law. It allows a copyright work to be used in certain circumstances without requiring the copyright owner’s authorization and without constituting an infringement. Fair use

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<sup>133</sup> Okediji (2005), p. 5.

<sup>134</sup> Okediji R, *ibid.*

is now governed by the provisions of Section 107 of the *Copyright Act 1976*, which contains a non-exhaustive list of considerations which determine whether or not “fair use” is made of a work. This is not a cumulative list but rather a set of factors to be considered.

In contrast, a closed system of exceptions to copyright is based on mandatory defined purposes or an exhaustive list of lawful acts.

## 5.2 *Fair Use for Palestine*

The *Copyright Act 1911* is applicable in Palestine by virtue of the *Copyright Ordinance 1924*, applies a fair dealing provision for private study, research, criticism, review, or newspaper summary.<sup>135</sup> As noted previously, the three-step test is not embedded in Palestinian copyright law which came from the *Berlin revision* of the *Convention*.

In the realm of reforming Palestinian copyright law, it is argued that we abandon the fixed fair dealing provision and switch to the open ended fair use provision. This argument is based on the many characteristics of fair use which put it at an advantage compared to fair dealing. These characteristics are: flexibility of fair use: most fair use provisions around the world list the same four fairness factors.<sup>136</sup> In addition, fair use provisions set out illustrative examples: broad types or categories of use or purposes that may be fair yet a particular use does not have to fall into one of these categories to be fair.<sup>137</sup> This is one of the key benefits of fair use. Unlike the fair dealing provisions, fair use is not limited to a set of prescribed purposes.<sup>138</sup> Further, just because a use falls into one of the categories of illustrative purpose, does not mean that such a use will necessarily be fair, it does not even create a presumption that the use is fair.<sup>139</sup> In every case, the fairness factors must be ‘explored, and the results weighed together, in light of the purposes of copyright’.<sup>140</sup>

The reason for the flexibility of fair use is that it applies standards not rules. Law that incorporates principles or standards is generally more flexible and adaptive than proscriptive rules. Fair use can therefore be applied to new technologies and new uses, without having to wait for consideration by the legislature.<sup>141</sup> Reflecting this standard-rule dichotomy, the American fair use doctrine authorizes courts to modify

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<sup>135</sup> *Copyright Act 1911*, art 2(1)(i).

<sup>136</sup> Australian Law Reform Committee (ALRC) (2013) Copyright and the Digital Economy, Final Report, p. 88. [http://www.alrc.gov.au/sites/default/files/pdfs/publications/final\\_report\\_alrc\\_122\\_2nd\\_december\\_2013\\_.pdf](http://www.alrc.gov.au/sites/default/files/pdfs/publications/final_report_alrc_122_2nd_december_2013_.pdf).

<sup>137</sup> ALRC Report (2013), p. 89.

<sup>138</sup> ALRC Report (2013), p. 89.

<sup>139</sup> ALRC Report (2013), p. 89.

<sup>140</sup> ALRC Report (2013), p. 89.

<sup>141</sup> ALRC Report (2013), p. 89.



the scope of copyright's statutory protection 'when, on occasion, it would stifle the very creativity which that law is designed to foster.'<sup>142</sup>

Adopting fair use instead of fair dealing is a matter that has been investigated by many states. For example in the U.K, the Hargreaves Review was specifically asked to investigate the benefits of a fair use exception and how these benefits might be achieved.<sup>143</sup>

The experience of Israel switching from fair dealing to fair use<sup>144</sup> is of particular significance for Palestine as Israel shares the same legal history of copyright legislation. Thus, fair use in Israeli copyright law is a good example to consider when going through the process of reforming Palestinian copyright law. Israel was the first common law country to shift, in its *Copyright Act 2007*, from the British based fair dealing provision to the American, more open standard of fair use. Israeli courts, however, began the shift more than a decade before the legislation, inserting American considerations into the British statutory structure.<sup>145</sup>

A hint of the value of fair use came via Google's contribution to a recent investigation into copyright in the United Kingdom:

Fair use is regularly referred to as the key tool by which the U.S. fosters innovation ... no country in the world can compete with the U.S. for the most innovative search technologies, social networks, video and music hosting platform[s], and for the sheer generation of the most jobs and wealth in the Internet domain. If one is looking for evidence of how innovation succeeds, the best way is to look at those places where innovation has succeeded.<sup>146</sup>

Finally, Professor Hargreaves explains that fair use 'has proven the backbone of a healthy Internet-economy ecosystem in the US, partly by putting rights holders and innovators on an equal footing'.<sup>147</sup>

Building on the previous argument, the inclusion of a fair use provision into Palestinian copyright law would be in Palestine's best interest as "(f)air use is not for the things that we know now but for the things that we do not know now."<sup>148</sup>

<sup>142</sup> *Campbell v. Acuff-Rose Music Inc.*, 510 U.S. 569, 577 (1994) (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990)) (establishing that "transformative" uses of copyrighted material should often be excused from a finding of infringement as "fair use").

<sup>143</sup> Hargreaves I (2011) *Digital Opportunity: A Review of Intellectual Property and Growth*, 101, cited in ALRC Report, above n 141, 90. The Review concluded that there would be a "considerable difficulties" in introducing a fair use exception into the UK. However, it also concluded that fair use should be achieved through other means rather than through directly changing the law. See, ALRC, 90.

<sup>144</sup> See, Birnhack (2013); Meera (2012); Koren and Afori (2015), pp. 1–45.

<sup>145</sup> Birnhack (2015), p. 264.

<sup>146</sup> Google Submission to the Independent Review of Intellectual Property and Growth, (March 2011). <http://www.ipo.gov.uk/ipreview-c4e-subgoogle.pdf>.

<sup>147</sup> Hargreaves and Hugenholtz (2013) *Copyright Reform for Growth and Jobs: Modernising the European Copyright Framework*. 13 Lisbon Council Policy Brief, p. 4. <http://www.lisboncouncil.net/publication/publication/95-copyright-reform-for-growth-and-jobs-modernising-the-european-copyright-framework.html>.

<sup>148</sup> Intellectual Property Watch (13.January.2017) *Panels Present Importance of Fair Use in South Africa's Draft Copyright Amendment*. <http://www.ip-watch.org/2017/01/13/panels-present-importance-fair-use-south-africas-draft-copyright-amendment/>. Accessed 15 March 2017.

## 6 Change Is Not Impossible

In spite of the complex circumstances the Palestinian Territories are real and living. One cannot ignore that these territories are populated by around five million humans<sup>149</sup> that are creative and thoughtful minds.

The copyright scene in Palestine is abridged in the following:

A shortage of political stability should not prevent the regulation of a field which directly interacts with culture and society; that is copyright. Therefore, the ability to regulate the copyright field under the *Oslo Interim Agreement* should be taken seriously; the significance of copyright in improving the Palestinians' lives should never be underestimated.

Palestine is not officially committed to apply the standards of the international copyright law. The loose language of the *Oslo Accords* embeds that Palestine has the flexibility to legislate copyright law that reflects the applicable circumstances, whether, social, cultural, or economic. The fact that Palestine is *de-facto* affected by the Israeli international obligations in the field of copyright is not a legitimate reason to drag Palestine into the complexity of the international copyright system. Policymakers should study and analyse the consequences of each single provision before its incorporation in the Palestinian copyright law.

Reforming the law gradually rather than completely replacing it with a new one might be more appropriate under the current political and legislative circumstances in Palestine. The law needs updating with regard to the protected rights and related rights, exceptions and limitations, and the protected subject matter. The present law is a satisfactory basis on which to commence reform, and the experience of other jurisdictions which have inherited the *Imperial Copyright Act 1911* usefully assessed.

Reforming and enforcing the Palestinian copyright law is a matter of necessity, to replace the rule of chaos by the rule of law and protecting intellectual rights of Palestinians from being infringed on a regular basis. Policymakers in the PA should bear in mind that intellectual rights are private rights that need protection. They should also be aware of the immediate relation between the copyright exceptions and limitations and their effect on accessing knowledge in Palestine. The necessity of copyright law is a factual matter that triggers the ability to legislate a copyright law through the current available legislative mechanism that is: Presidential Decrees. It is suggested that change can occur step by step, it is not necessary to occur all at once. For example, a Presidential Decree can be issued to protect the bundle of protected economic rights not protected under the current law, or to include proper exceptions and limitations in Palestinian—which are the heart of the process of reformation. It is further suggested to switch from fair dealing to fair use would be a huge step in usefully reforming the law.

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<sup>149</sup> According to the Palestinian Central Bureau of Statistics, the estimated Population in the Palestinian Territories in 2016 is (4,816,503). [http://www.pcbs.gov.ps/Portals/\\_Rainbow/Documents/gover\\_e.htm](http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/gover_e.htm). Accessed 23 March 2017.

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# Copyright Law in Indonesia: From a Hybrid to an Endogenous System?



Christoph Antons

## 1 Introduction: The Various Influences on the New Copyright Law

Indonesia's copyright system has its roots in the Dutch colonial period, but has been thoroughly changed in a little more than three decades since the introduction of Indonesia's first own copyright law in 1982. While the beginnings of copyright reform had much to do with external pressure from trading partners dissatisfied with the situation in Indonesia, the system was subsequently adapted to suit specific domestic interests. This chapter will show some of the influences on the current legislation (Law No. 28 of 2014 on Copyright), which is the result of a comprehensive revision in 2014. It will also examine the emerging case law in the field, and show the difficulties in setting up the institutions for the administration of copyright.

Initial copyright reforms still showed, with relatively few exceptions (Kaehlig 1993, p. 2; Antons 2000, pp. 59–60), the influence of the Dutch colonial copyright tradition. Increasingly, however, as English language academic writings became influential and many Indonesian lawyers studied in universities in common law countries, Anglo-American copyright principles came to be included. The influence of concepts derived from the English language literature is visible in the terminology, with an increasing number of English derived terms being newly introduced or replacing previous translations into Indonesian, such as *fiksasi* (fixation), *fonogram* (phonogram), *pentransmisian*

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(transmission), *komunikasi* (communication), *pendistribusian* (distribution). In spite of such increasing influence of Anglo-American copyright law, however, there are also parts of the law in which Continental European concepts have been strengthened, as in the part on moral rights, which is prominently placed at the beginning of the new law.

While in previous copyright reforms the government usually pointed to international obligations under the World Trade Organisation's Agreement on Trade-Related Intellectual Property Rights (TRIPS) and similar treaties, the official government explanation in relation to the new law now stresses Indonesia's potential in harnessing the creative industries in addition to Indonesia's treaty obligations. On the one hand, the government sees copyright as the most important basis for the creative industries (Departemen Perdagangan Republik Indonesia 2008), but at the same time it speaks of "proportional regulation" that balances the positive and negative functions of information technology (Government Explanation under I. General). This attempt at balancing the various conflicting interests in copyright protection is visible in the quite extensive Chapter VI on 'Limitations of Copyright' (*Pembatasan Hak Cipta*).<sup>1</sup>

Although many such considerations are not peculiar to Indonesia, certain parts of the legislation relate to specific domestic concerns, such as the role of the state in the administration of traditional cultural expressions (article 38), the registration procedure for licensing agreements (article 83), and the expiration of copyright registrations that violate religious or moral norms or public or state security (article 74). The analysis in this chapter thus shows how the new legislation reflects the influences of all these different forces, creating a hybrid model of different copyright traditions with specific Indonesian features. Comparative lawyers specialising in Asian jurisdictions have elsewhere seen such hybrids result from processes of selective adaptation in the choice of models for law making, as well as in the actual implementation of the laws (Haley 1991, pp. 29–32; Antons 2004; Potter 2004). This confirms Legrand's thesis (Legrand 1996) that legal transfers are heavily influenced by the domestic context. If this is an important consideration for the European context, for which Legrand writes, it is even more so for postcolonial and legally pluralist developing countries such as Indonesia, where the majority of the population prior to independence had little contact with the state legal system, and which inherited a tradition of 'rule by decree' rather than 'rule of law' (Lev 2000, pp. 3–31).

## 2 A Brief History of Copyright Law in Indonesia

In 1912 the newly introduced Dutch Copyright Act (*Auteurswet 1912*) was transferred to the colony of the Netherlands East Indies. Although it was revised a few times, there is no indication in the colonial legal literature that it was particularly

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<sup>1</sup>The term *pembatasan* (restrictions or limitations) has been used in all Indonesian Copyright Acts and was initially a translation of the Dutch term "beperkingen" used in the colonial era Copyright Act from 1912. For an Indonesian language translation of the colonial *Auteurswet 1912*, see Simorangkir (1979, pp. 232–245). It is the equivalent to the defences and exceptions of Anglo-American copyright systems.



relevant at the time (Antons 2008, p. 235). Soelistyo has referred to it as a “sleeping” regulation (Soelistyo 2011, p. 126). Revisions of the law were largely due to new international obligations after accession to the Berne Convention in 1913<sup>2</sup> and to the Rome revision of the Berne Convention in 1931.<sup>3</sup> The 1912 Act remained the copyright law of independent Indonesia for several decades after the end of the colonial period, based on transitional provisions in various constitutions and in the agreement that transferred independence.<sup>4</sup> Perhaps the most important development during the early independence period was the decision of the Indonesian government in 1959 to leave the Berne Convention. Indonesia argued that in the interest of education it was necessary to be able to copy books freely, and added the rather peculiar argument that membership in the Berne Convention could be used to strengthen Dutch claims to the then still disputed territories of what are now the Indonesian provinces of Papua and West Papua (Simorangkir 1988, p. 60). This development has to be seen against the background of the tensed relationship with the former colonial power during the first period after independence. As Sara Bannerman has pointed out, the continuing adherence to the Berne Convention of newly independent countries depended on an express declaration, but BIRPI as WIPO’s predecessor tended to keep this option open, even if such a declaration was not initially forthcoming (Bannerman 2016, pp. 207–208). In the Hague Agreement on the Transfer of Sovereignty of 1949 between the Netherlands and Indonesia that confirmed Indonesia’s independence, Indonesia agreed to be bound by all rights and duties arising from international agreements concluded by the Netherlands on her behalf. In 1950, the Indonesian government declared in a note to the Swiss government that Indonesia was bound by various international intellectual property agreements concluded by the previous colonial government on its behalf.<sup>5</sup> However, the note did not mention the Berne Convention (Antons 2000, pp. 47–48). Ultimately, the Government of the Netherlands stepped in and insisted on Indonesia’s membership in the Berne Convention on the basis of the Treaty on the Transfer of Sovereignty in a note to the Swiss government of 23 February 1956.<sup>6</sup> Still in the same year, the Indonesian government unilaterally terminated the Hague Agreement (Tervooren 1957, p. 322) and the country denounced the Berne Convention three years later, one of only four countries to do so following independence (Bannerman 2016,

<sup>2</sup>Staatsblad van Nederlandsch-Indië 1914 No. 797.

<sup>3</sup>Staatsblad van Nederlandsch-Indië 1931 No. 324/325/435.

<sup>4</sup>Article 8 of the Hague Agreement between the Netherlands and Indonesia, *Lembaran-Negara Republik Indonesia Serikat* No. 2, 1950, 498–502; Article 142 of the Provisional Constitution of the Republic of Indonesia; Art. II of the transitory provisions of the Constitution of 1945. See also Antons (2000, pp. 22–25, 53).

<sup>5</sup>Circulaire du Conseil Fédéral Suisse (Département Politique Fédéral) concernant la situation de la République des États-Unis d’Indonésie à l’égard de certain actes de l’Union du 24 November 1950. *La Propriété Industrielle* Vol. 66 (1950) 222.

<sup>6</sup>Notification par le Gouvernement Suisse, aux Gouvernements des Pays unionistes concernant l’appartenance de l’Indonésie à l’Union internationale pour la protection des oeuvres littéraires et artistiques. *Le Droit d’Auteur*, 7 July 1956.



p. 208). The current webpage of WIPO on Indonesia's membership in the Berne Convention glosses over these differences when it states that there was a declaration of continued application of the Convention by Indonesia on 23 February 1956,<sup>7</sup> which clearly appears to be a reference to the Dutch government's note on this matter. It is likely that the Indonesian government at the time would have seen the Dutch insistence on the country's membership in the Berne Convention as a continuation of interference in its domestic affairs that it was no longer willing to tolerate.

Following its exit from the Berne Convention, Indonesia made, however, little use of the freedom with regards to foreign copyrighted works. Soelistyo quotes sources that at least 174 titles were translated, which were mainly novels, but mentions that there is no data regarding scientific literature (Soelistyo 2011, pp. 134–135). Tight censorship rules, especially after former General Suharto came to power in a government with strong military backing in 1965 and became President in 1967, may have played a role here as well (Antons 2008, p. 236). Indonesia's first national copyright law was enacted in 1982.<sup>8</sup> It was almost immediately criticised (Syafrinaldi 2006, pp. 36–37; Saidin 2003, pp. 46–47), among other things for offering a short protection period of only 25 years after the death of the author, for allowing the state to appropriate copyright “in the national interest” and for protecting foreign works only if first publication had occurred in Indonesia (Antons 2000, p. 54). A revision in 1987 brought protection for new material such as video tapes, sound recordings and computer programs. It restored the protection period for original works to 50 years after the death of the author with shorter protection periods for adaptations, photographs, computer programs and compilations (Antons 2008, pp. 237–238; Soelistyo 2011, pp. 147–149). A further revision followed in 1997, after Indonesia had ratified the WTO TRIPS Agreement in 1994 and in 1997 had re-entered the Berne Convention and ratified the WIPO Copyright Treaty. The revised law introduced rental rights for cinematographic works and computer programs and new parts dealing with licences and neighbouring rights to copyright respectively (Antons 2000, p. 54).

Further amendments followed in the Copyright Act of 2002. The new Act introduced the anti-circumvention and rights management provisions required under the WIPO Copyright Treaty (WCT) (Soelistyo 2011, p. 151). However, only the first of the prohibitions required by Article 12(1)(i) of the WCT was mentioned, regarding the actual removal or alteration of electronic rights management information. The prohibition in Article 12(1)(ii) of the WCT of the unauthorised distribution, importation for distribution, broadcast or communication to the public of works or copies of works with the knowledge (or in relation to civil remedies reasonable grounds for

<sup>7</sup>[http://www.wipo.int/treaties/en/remarks.jsp?cnty\\_id=970C](http://www.wipo.int/treaties/en/remarks.jsp?cnty_id=970C).

<sup>8</sup>The new law introduced the term *hak cipta* for copyright, which literally means the ‘right to a creation’, *cipta* (creation) or *karya* (work) for the concept of “work” and *pencipta* (literally: the creator) for the author. As is common practice in English language translations (e.g. Yasmon Rangkeyo Sati 2008; Antons 2000; Kaehlig 1993) standard English terminology rather than literal translations of the key terms will be used in this chapter.

the knowledge) that electronic rights management information had been removed or altered, was only declared as prohibited in an explanatory memorandum accompanying the provision, but not in the actual law (Antons 2008, pp. 248–249). A Government Regulation was promised to remedy this shortcoming and to clarify issues related to remedies (Antons 2008, p. 249; IIPA 2007, pp. 286–287), but in the end was never issued. At the international level, Indonesia also acceded to the WIPO Performances and Phonogram Treaty in 2004 (Antons 2009, p. 93).

The latest reform of copyright law occurred in 2014. The new law raised the protection period for the classical categories of works to 70 years after the death of the author (Article 58) and it regulates collective management organisations in Chapter XII. The exhaustion of copyright is regulated in Article 11 and importation of copyrighted works is no longer included among the exclusive rights of the copyright holder.

### 3 Indonesia and the Different Traditions of Copyright

Much has been written in the copyright literature about the ‘two cultures of copyright’ (Goldstein 2003, pp. 135–161), often comparing French and U.S. copyright principles and their histories (Ginsburg 1990). However, analysts are often swift to point out that the differences are sometimes overstated and that the systems in reality have much in common (Goldstein 2003, p. 139; Ginsburg 1990, pp. 994–995). As far as the French and U.S. systems are seen as representative of the copyright systems in other civil law and common law countries, it is important to bear in mind that when it comes to the details there are also many differences between the countries seen as adherent to one or the other tradition. A recent collection of essays written by Dutch scholars on the occasion of the 100th anniversary of the Dutch Copyright Act, for example, shows the initial reluctance of the Netherlands to join the Berne Convention, and the idiosyncratic features of the system in comparison with the French *droit d’auteur* ideal type (Hugenholtz et al. 2012).

In the setting of post-colonial developing countries like Indonesia, the legal policy decisions that were made on behalf of the local population by colonial governments are often deeply suspect (Goldstein 2003, pp. 153–154). This is evidenced by the decision of the Indonesian government in 1958 to leave the Berne Convention, and by decisions of Indonesian courts in the 1970s that questioned Indonesia’s membership in the Paris Convention.<sup>9</sup> Nevertheless, the different traditions of copyright and their implications for Indonesia have rarely been commented upon in detail in the Indonesian literature (see, however, Damian 2002; Soelistyo 2011, pp. 22–29; Saidin 2003, pp. 104–105). Apart from an increasing use of terminology drawn from English copyright terms, however, it is noticeable that many Indonesian

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<sup>9</sup> See, for example, the decision of the District Court of Central Jakarta in the ‘Tanco’ case, No. 53/1972 G, in: Gautama and Winata (1987, p. 30).

legal academics and practitioners writing on copyright nowadays also predominantly use comparative material written in English in common law countries such as the United States, Australia, the United Kingdom or Canada, where many of them have studied or attended training courses (e.g. Soelistyo 2011; Margono 2003; Anwar 1999; Bintang 1998; Djumhana and Djubaedillah 2014).<sup>10</sup> Yet others still use Dutch commentaries or sources from other civil law jurisdictions in addition to English language material (Damian 2002; Hutaeruk 1982; Syafrinaldi 2006). While acknowledging the differences, Indonesian commentators thus draw freely on literature from the different copyright traditions.

While the initial Copyright Act of 1982 was still rooted in the Dutch tradition (Soelistyo 2011, p. 150), the more recent amendments of the Indonesian Copyright Act show the increasing influence of Anglo-American copyright principles. One example is the question of how far any subject matter must have taken on permanent or material form in order to qualify for copyright protection. This is a requirement of the copyright laws in common law countries,<sup>11</sup> but not in the Netherlands, where it is sufficient if a work is expressed in a manner perceptible to the senses (Hugenholtz 2012, p. 36). Until the copyright reform of 2014, Indonesian law used the terminology in Article 1 No. 2 of the Copyright Act of 2002 that a work had to be in a “specific” (Antons 2000, p. 58) or “distinctive” (Yasmon Rangkyo Sati 2008) form (*dalam bentuk yang khas*). The terminology was ambiguous with regards to the question of the extent to which material form was required. Some commentators seemed to take a liberal view of the matter, with Simorangkir and Panggabean stating that the work could be in “whatever specific form” (Simorangkir and Panggabean 1988, p. 5). Others concluded from the separate category of “oral works” (such as talks, lectures, speeches and “other works which are orally presented”)<sup>12</sup> as opposed to the “written works” listed in Article 12 (1) a. Copyright Act, that the fixation or material form of a work was not generally required (Rosidi 1984, pp. 85–86). In fact Article 5(2) of the Copyright Act of 1982 clearly spoke of “speeches that are not written”. One could add also the protection of folklore and “products of popular culture such as stories, tales, fairy tales, legends, chronicles, songs, handicrafts, choreographies, dances, calligraphy and other works of art”, protected in Article 10(2) of the previous Law of 2002. Given the traditional character of much of this material, fixation can hardly have been a requirement. This interpretation was finally also confirmed by the explanatory note of the government to Article 1 of the 1997 revision of the Copyright Act, which explains that the work must have taken shape in such a way that it could be seen, heard or read. In other words, what was required

<sup>10</sup>For a book project edited jointly by Australia and Indonesian academics see Lindsey et al. (2002).

<sup>11</sup>For literary, dramatic, musical and artistic works in Australia, requiring ‘writing or some other material form’ (section 22(1) of the *Copyright Act 1968* (Cth)), whereby ‘material form’ is defined as ‘any form (whether visible or not) of storage of the work or adaptation, or a substantial part of the work or adaptation...’ (section 10), see Davison et al. (2012), pp. 217–218; for the United Kingdom Copyright Designs and Patents Act 1988 and its requirement of recording in writing or otherwise, see Cornish et al. (2010, pp. 462–464).

<sup>12</sup>Article 12 (1) b. of the Copyright Act of 2002.

was merely that the work was perceptible to the senses, in accordance with the approach in the Netherlands.

Even before the latest copyright reform of 2014, however, the more recent copyright literature increasingly emphasised material form as a condition for copyright protection. Bintang (1998, p. 2) required a “certain, concrete form” and his examples show that he means fixation of the subject matter. Supramono (2010, p. 8) suggested that the work must be able to be shown to others “as tangible” (*dengan nyata*). Finally, “fixation” (*fiksasi*) became regarded as a condition of copyright protection (Soelistyo 2011, p. 51). The shift towards material form is completed in the latest copyright reform of 2014. What is required is now no longer “distinctive”, but rather “tangible” form (Article 1 No. 1 and 3 Copyright Act of 2014) and fixation is now defined in Article 1 No. 13 Copyright Act as the recording of sound or images. The different understanding is also observable in the provision on “talks, lectures and speeches” (Article 40(1) b.), which no longer speaks of “works that are orally presented”. A remaining provision based on the previous understanding, however, is Article 32, which declares that, unless proven otherwise, the person giving a speech which does not use written notes and where it is not announced who is the author of the speech, will be assumed to be the author. Thus, there are still some ambiguities in what appears otherwise as a move towards a ‘material form’ requirement. One further important impact of the fixation requirement is with regards to the protection of what are now called “traditional cultural expressions”, a term that in accordance with international terminology has replaced the previously used term “folklore” (Article 38 Copyright Act of 2014). In common law countries that require the material form of a work for copyright protection, copyright has become in many ways unsuitable for the protection of traditional cultural expressions (McKeough et al. 2004, pp. 14–15; Davison et al. 2012, p. 218). The shift towards a fixation requirement will now possibly cause similar problems in Indonesia, unless the traditional material protected in the Copyright Act becomes exempted from it.

Yet another frequently discussed difference between the “two cultures of copyright” is the concept of originality. The position in common law countries, now no longer uniform, is derived from the British position of protecting a work, if it shows sufficient “skill, judgment and labour” or “selection, judgment and experience” or “labour, skill and capital” (Cornish et al. 2010, p. 441). What is required then is merely, as expressed by Peterson J. in a famous quote from *University of London Press* ([1916] 2 Ch. 608), “that the work must not be copied from another work – that is should originate from the author.” (as quoted in Cornish et al. 2010, p. 447). U.S. copyright moved away from the minimal position when the Supreme Court withheld copyright protection from a telephone book, arguing that it did not fulfil the requirement of a “minimal level of creativity” (*Feist Publications v Rural Telephone*, 499 U.S. 340 (1991), see Cornish et al. 2010, p. 448). Australian courts followed more recently in finding that for a work to be original, skill and labour had to be exerted on the material form of the work in question, excluding thus the mere collection of data (*IceTV v Nine Network Australia*, (2009) 239 CLR 458; *Telstra Corporation Limited v Phone Directories Company*, (2010) 273 ALR 725, as discussed in Davison et al. 2012, pp. 220–227).

In contrast to the approach in the common law copyright tradition, “originality” in systems that have inherited the Continental European authorship rights approach requires what is often referred to as “an imprint of personality” (Dreier and Karnell 1991, p. 155). The level of creativity required is, therefore, higher, and, as a consequence, works displaying only a low level of creativity are confined to protection under “neighbouring rights” or competition law (Cornish et al. 2010, p. 448; Ricketson 1991, p. 199).

Indonesian law evolved from a position similar to the one in the Netherlands, where originality was not expressly mentioned in the Copyright Act (Hugenholtz 2012, p. 43), but where case law required the “own personal character of the work” (Wichers Hoeth 1993, p. 257). The requirement that a work must have a “personal characteristic” (*bersifat pribadi*), included since the first Copyright Act of 1982 (Article 1 a.), appears to be a literal translation of the Dutch originality concept (Antons 2000, p. 60). But while the language of the Act seems reminiscent of Dutch copyright law requirements, the explanatory note of the Government to the provision allowed for a very different conclusion. It is said there simply that “[t]he author must create something original in the sense that it is not a mere copy”, which restates Peterson J.’s approach in *University of London Press*. With English-inspired copyright acts, the Indonesian Copyright Act included subject matter that in authors’ rights countries would only qualify for neighbouring rights protection, such as for “broadcasting works” (*karya siaran*, Article 11(1) No. 3 Copyright Act of 1982) and “sound recording works” (*karya rekaman suara atau bunyi*, Article 11(1) d. Copyright Act of 1987).

A revision in 1997 introduced a new chapter VA on neighbouring rights (*hak-hak yang berkaitan dengan hak cipta*) for performers, producers of sound recordings and broadcasting organisations. However, because the material was not deleted from the general list of works of Article 11, in which it previously had been included, it in fact protected the same material twice in different provisions with different protection periods and gave the rights holders a choice over which provisions they wanted to rely on (Antons 1998, pp. 83–85). Although neighbouring rights protection appeared to be a reorientation of Indonesian copyright law towards the Dutch tradition, other parts of the legislation showed that this was not really the case. The definition of the copyrighted work now contained a new element, requiring that it must “show originality” (*menunjukkan keasliannya*). However, that this new element was not meant to introduce a particularly high level of creativity was clear from the explanatory note to Article 11 of the Copyright Act of 1997, which allowed, among other things, copyright claims for technical drawings, motifs, diagrams, sketches, logos and shapes of letters; for “works of applied art”, which can be produced in large numbers such as jewellery and accessories, furniture, wall paper or wall ornaments and clothing design; and for audiovisual aids of importance for science and education (Antons 2000, pp. 60–61).

With the low requirement for copyright protection, the Indonesian law created an overlap between copyright and industrial design law at a time when specific design

protection was not yet available,<sup>13</sup> but also an overlap with trade mark protection<sup>14</sup> (Antons 1998, p. 82; Antons 2000, p. 61). Applications for trade mark registrations that also constituted copyright protected work had to be rejected by the Office of Marks under the Trade Marks Act of 1992 (Article 6(1) d.). Once registered, such copyright registrations could only be cancelled by a court decision. This created a wonderful opportunity for trade mark infringers to create obstacles in trade mark deletion cases by registering copyright for identical or deceptively similar marks (Managing Intellectual Property 1997). Although trade mark reform in 2001 deleted the relevant provision (Antons 2009, pp. 118–119), the effects of the various overlaps can still be seen in the case law. Early copyright cases concerned the copyright ownership of logos, the attempt to use a technical description to protect a method of developing holograms for cigarette revenue stamps, and the copyright registration of a technical proposal submitted during a tender process. Such cases allowed the conclusion that copyright was in fact frequently used to prevent the acquisition of other types of intellectual property (IP) rights by competitors (Antons 2009, p. 106). The more recent case law published in collections and on the website of the Indonesian Supreme Court confirms this trend, with many cases related to logos and works describing technical methods.<sup>15</sup>

#### **4 Copyright Law and Specific Domestic Concerns: The Example of Traditional Cultural Expressions and Licensing Requirements**

It has been pointed out how newly independent nations after the end of World War II were critically questioning in how far they could possibly benefit from an international copyright system that in their view was designed for the needs of intellectual property exporting countries (Goldstein 2003, pp. 153–154). The critical re-examination of the system resulted, inter alia, in the 1967 Stockholm Protocol to the Berne Convention Regarding Developing Countries and in a Model Law for Developing Countries, drafted in Tunis in 1976 by a Committee of Governmental

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<sup>13</sup> A law for the protection of industrial designs only became available in 2000, see Law No. 31 of 2000 on Industrial Designs. The Industrial Designs Act of 2000 required novelty of the design at the time of registration (Article 2). This novelty requirement and the use of the designs for ‘products, goods, industrial commodities, or handicrafts’ (Article 1 No. 1) was regarded in the preamble to the Act as one of the features distinguishing industrial design from copyright protection requiring originality. However, given the low level of originality and the range of ‘works of applied art’ protected under the Copyright Act, this distinction was in fact hard to make.

<sup>14</sup> Logos were specifically mentioned in the explanatory note to Article 11 of the Copyright Act of 1997 as protected.

<sup>15</sup> See, for example, Supreme Court No. 478K/Pdt.Sus/2012 of 15 October 2012, *Logo Himpunan Kerukunan Tani Indonesia*; Supreme Court No. 01/PK/N/HaKI/2005 of 23 June 2005, *Hologram Pengamanan Pita Cukai*.



Experts with assistance from WIPO and UNESCO (International Bureau of WIPO, 1998). Indonesia's decision to actually leave the Berne Convention altogether, however, as one of the very few countries to ever do so (Bannerman 2016, p. 208), was probably one of the most striking reactions of any country during this period. Indonesia's Copyright Act of 1982 clearly shows the influence of this period of critical re-examination of copyright protection. The limitations (*pembatasan*) on copyright included generous exceptions for government use (Article 13), educational or gratuitous purposes and libraries and documentation centres (Article 14), translations of foreign works, compulsory licences and broadcasting in the national interest (Articles 15, 16, 17). Further, those in possession of material resulting from copyright violations could continue to use it for non-commercial purposes (Article 43); the period of protection was only a short 25 years (Article 26), and foreign works were only protected if they were first published in Indonesia (Article 48).

One particular area where developing countries perceived an imbalance in the intellectual property system, was the fact that their citizens had to pay royalties on the copyright protected works imported from industrialised countries, while traditional cultural expressions from the developing world were treated as "folklore" and in the public domain and thus free to be used. African and Latin American countries were particularly vocal in their demands to address this imbalance (Halewood 1999, pp. 967–968), using as examples disputes about the use of songs from Africa or Latin America for worldwide hit records; disputes which have continued since then (e.g. Dean 2006; Escribano 2004). One early result of this debate about folklore protection was the insertion of Article 15.4 at the revision conference of the Berne Convention in Stockholm in 1967 (Graber 2011, pp. 240–242). While not explicitly mentioning folklore, Article 15.4 leaves it to countries to designate a "competent authority" to represent the author in cases of unpublished works, where "the identity of the author is unknown". Such a "competent authority" was also entrusted with the representation of folklore producing authors or communities in the Tunis Model Law for developing countries. Folklore is mentioned in various sections of this law, most importantly in Section 6, dealing with "works of national folklore", and in Section 5bis, providing the option to exempt folklore from fixation requirements.

WIPO documents show how influential the determination to protect folklore via copyright was at a time when many newly independent developing countries were in the process of drafting their first national copyright laws.<sup>16</sup> Indonesia was no exception. While a draft copyright law of 1958 did not yet mention the subject matter of folklore at all (Simorangkir 1979, pp. 105–123), a relevant provision appears for the first time in a draft copyright law of 1966.<sup>17</sup> The heading of the relevant section speaks of the copyright in "national cultural objects" (*benda-benda budaya nasional*) and of "products of the culture of the people" (*hasil kebudayaan rakyat*), the copyright to which is held by the state. This is justified in Article 8 of the

<sup>16</sup> For a list of countries drafting such laws between 1967 and 1980, see UNESCO/WIPO (1985) at para. 5.

<sup>17</sup> See Article 8 of the Draft Law of 1966 on Copyright, in Simorangkir (1979), p. 127.

explanatory note to the provision, with the nature of the subject matter concerned described as a “public affair”, by using the Latin phrase *res publica*. The draft provision is overall an interesting attempt to protect cultural heritage with copyright. Apart from the folkloristic products mentioned above, it extends the “copyright” of the state to material that is not usually found in copyright legislation, such as pre-historic, historic and paleo-anthropological remains and “other national cultural objects”, as well as the portrayal of animals in wildlife reserves via photography, film or sketches. The provision includes the possibility of a transfer of the copyright to the state in the national interest against payment of compensation. It is not made clear who would be compensated, but the explanatory note mentions as example of relevant material songs used in education.

The provision from this draft 1966 law made it with few changes into the first national Copyright Act of Indonesia of 1982. The “national cultural objects” related to pre-historical and historical remains and paleo-anthropology were now described as “works” in Article 10(1) and a broader list of “products of the culture of the people” was protected by the state as copyright holder, along with “other artistic works”. Importantly, however, the position of the state as copyright holder to this material was qualified in Article 10(2) b. Copyright Act of 1982 as being exercised only with regards to foreign countries. Controversially, Article 10(3) allowed again for a rather generally worded appropriation of copyright to a work by the state “in the national interest” following a Presidential Decision and after a hearing of the Copyright Council. The justification in the explanatory note to the provision was that all of this was necessary to prevent the emergence of monopolies and to prevent actions that could damage the image of the culture.

Indonesian commentators concluded from the qualification in Article 10(2) b. that the state was holding the copyright vis-à-vis foreigners only, and Indonesians themselves were free to use their own traditional cultural material (Rosidi 1984, p. 80; Simorangkir 1982, p. 136). Over the years, however, the important qualification in support of this proposition has slowly been eroded. The revised Copyright Act of 2002 provided that foreigners needed a license to publish or multiply what was now also called “folklore”, still allowing the conclusion that locals were free to use the material. The new Copyright Act of 2014 now no longer mentions licensing requirements for foreigners, but points to the duty of the state to make an inventory of, and to protect and conserve what are now termed in accordance with international custom “traditional cultural expressions”, whereby the state has to be conscious of the values of the communities from which the material originated (Article 38(2), (3)). Examples are no longer listed in the provision, but in the explanatory note. Potentially controversial is that these examples also include *adat* rituals, the customary law ceremonies of local communities that often form the backbone of their identities, covering both their supernatural and secular social reality (von Benda-Beckmann 1979, pp. 113–114; Lowenhaupt Tsing 2009).

While the new Copyright Act thus shows a certain centralization of the protection of traditional cultural expressions at the central state level, Indonesian administrative decentralisation laws have at the same time triggered an unprecedented phenomenon: intellectual property regulations at the local level, that in some



cases have the potential to come into conflict with the centralised regulation in national intellectual property laws like the Copyright Act. The reason for the emergence of such local regulations seems to be that local governments want to be in charge of granting licenses and collecting royalties in particular related to geographical indications and traditional cultural expressions (Antons 2017). Examples come from the province of Papua, which is administered under special autonomy laws, from Bangka Belitung, but also from West and East Java. Papua issued a Special Regional Regulation No. 19 of 2008 Regarding the Protection of the Intellectual Property Rights of Indigenous Papuans.<sup>18</sup> Regarding traditional cultural expressions, the Regional Regulation of the province of West Java No. 5 of 2012 on the Protection of Intellectual Property mentions similar material as the Copyright Act. Similarly to the previous Copyright Act, it also requires foreigners to conclude licensing agreements for the use of such material, with the royalties being collected by the regional government (Article 26 Regional Regulation No. 5 of 2012). While the Copyright Act provision on traditional cultural expressions still needs a Government Regulation to be implemented, there is potential for overcharging licensees, if governments at central and regional levels claim royalties to the same material.

A remnant from the earlier period of scepticism about the intellectual property system and concerns about effective technology transfer<sup>19</sup> is found in further provisions in the Copyright Act that require the registration of licensing agreements with the intellectual property office, whereby it has to be assessed whether the agreement in question includes provisions that have damaging effects on the Indonesian economy or that are not in accordance with the law (Articles 82, 83 Copyright Act of 2014). As for the latter requirement, the explanatory note of the government to the provision explains that of concern here are, for example, the laws against monopolistic practices and unfair competition. Because the registration procedures require an implementing Government Regulation, which until recently was not issued, licensing contracts for many years were informally notified to the intellectual property office, but could not be enforced against third parties (Kusnandar 2004; Antons 2009, p. 120). In 2016, the Ministry of Justice finally issued a regulation on the conditions and manner of registration applications for intellectual property licensing agreements.<sup>20</sup> It now merely requires a declaration from the applicant that the agreement is still within the protection period, does not damage national economic interests, does not impede technological development, and is not in conflict with

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<sup>18</sup>Peraturan Daerah Khusus Provinsi Papua Nomor 19 Tahun 2008 Tentang Perlindungan Hak Kekayaan Intelektual Orang Asli Papua.

<sup>19</sup>For Indonesia and ASEAN and the introduction of intellectual property laws under pressure from foreign trading partners and investors see Antons (1991a, b); for concerns in developing countries more generally see Vaitos (1976), Chudnovsky (1979) and Bannerman (2016).

<sup>20</sup>Peraturan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia Nomor 8 Tahun 2016 tentang Syarat dan Tata Cara Permohonan Pencatatan Perjanjian Lisensi Kekayaan Intelektual. See also 'Yuk, Intip Aturan Pencatatan Perjanjian Lisensi Kekayaan Intelektual', *Hukum Online*, 25 February 2016.

legal provisions, ethics and public security (Article 4 (3) Ministerial Regulation No. 8 of 2016). Although the conditions in the Ministerial Regulation go beyond the actual requirements listed in the Copyright Act, the IP Office undertakes only a formal, but not a substantive examination, as to the completeness of these conditions (Article 7 Ministerial Regulation No. 8 of 2016). A further Ministerial Regulation facilitates registrations of copyright and other intellectual property rights as part of a program to provide incentives for the seeking of intellectual property protection.<sup>21</sup> Its focus, however, is limited to formal educational institutions, government research and development bodies, micro, small and medium sized enterprises, applicants for geographical indication protection, and correctional institutions (Article 3 Ministerial Regulation No. 4 of 2016).

## 5 Conclusion

The analysis of the legislative changes, the emerging case law and developments at the grassroots level in the provinces shows that Indonesia is increasingly moving from a hybrid system of Dutch civil law and common law influences to a system of its own, with its own specific features derived from particular Indonesian circumstances, such as the country's decentralization policies. The government is promoting copyright as a central pillar in its ambitious plans for the creative industries (Departemen Perdagangan Republik Indonesia 2008). If the case law is any indication, however, Indonesian individuals and companies are still reluctant converts to the benefits of copyright, and copyright is in many cases simply used to thwart the emergence of other intellectual property rights in the hands of competitors. Unlike in many industrialised countries, where the creative industries are strongly computer based, in Indonesia there is an additional strong focus on traditional cultural expressions. Again, however, copyright here is an instrument in particular for central and regional governments to benefit from the use of local and traditional culture. The emergence of regional regulations on local copyright and intellectual property brings with it the danger of conflicting responsibilities being held by different levels of government and the overcharging of licensees and consumers.

As in other parts of the Indonesian intellectual property system, copyright law still shows the ambiguous feelings of Indonesian citizens and the government towards intellectual property protection. Provisions such as those on licensing agreements show a basic fear that copyright will be used by foreign parties for purposes that are not conducive to Indonesia's technological development. Indonesia, thus, stands not only between different copyright traditions, but is also balancing an assertive position as a strong player in copyright and the creative industries with a traditional feeling of insecurity with regards to foreign derived laws protecting forms of intellectual property.

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<sup>21</sup> Peraturan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia Nomor 4 Tahun 2016 tentang Insentif Kekayaan Intelektual.

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# Copyright and (Dis)harmonisation: Can Developing Nations Prioritise Their Own Public Good in a Global Copyright Hegemony?



Mark Perry

## 1 Introduction

Copyright comes to the attention of parliaments around the world on a frequent basis in recent decades, stimulated by rapid changes in reproduction technologies such as the introduction of the photocopy machine, the tape recorder or widespread adoption of the Internet. In 1912, the Attorney General, when moving the Copyright Bill for the second time, opened with the words “The measure before the Chamber deals with a matter of very considerable importance to every civilized community”.<sup>1</sup> The Bill was to adopt a British approach to copyright (“much to be preferred to that in force in America”), taking the 1911 Copyright Act, making it “clear and effective” throughout the Empire. Times have indeed changed, but pressure for conformity remains, albeit from a different empire. The global agenda a century later for intellectual property protection has been driven by the large industrial property and creative industry generating jurisdictions, whether the European Union for Geographical Indicators, or in the last half-century the United States pushing for extended copyright protection, and of course for the vested (multi-national corporate) interests within those nations. Due to the push for global harmonisation of intellectual property rights, global agreements have a strong influence on the development of legal copyright frameworks for smaller (in terms of intellectual property protected outputs) nations, whether or not they provide any directly attributable benefit in that realm.

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<sup>1</sup>Commonwealth, Parliamentary, House, Wednesday, 30 October 1912, 1, Hughes, William Morris. The “enlightened, effective, and simple piece of legislation” read that day became the Copyright Act 1912, which ran to 23 pages. The current Australian Commonwealth Copyright Act 1968 in comparison runs to 768 pages, the longest in the world, and cannot be called clear and simple by any stretch of the imagination.

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Copyright related industries are undoubtedly important to all nations, whether least developed, developing or highly developed. In some nations, even though the dollar value is small when compared to the global copyright giants, the contribution to gross domestic product (GDP) may be significant. Although perhaps a blunt tool to measure a nation's creative performance, particularly as reflected to those outputs referenced in copyright, GDP does provide a useful metric. This is reflected by the World Intellectual Property Organisation's provision of an instrument to provide a guide on the methodology for nations to collect data on the economic contribution of creative industries, which it has been applying for over a decade.<sup>2</sup> The data provided in the most recent report, based on reports from 42 countries, shows clear evidence of the value of creative industries in terms of GDP.<sup>3</sup> Developing nations are undoubtedly influenced by such data, in addition to strong trading nations' pressure, to update their copyright legislation to bring it more in line with developed nations, for example by bringing in legislation in the jurisdiction to ensure compliance with the WIPO Copyright Treaty.<sup>4</sup> The norm is to discuss the (protected) industry's direct contribution to GDP, as reflected by the World Intellectual Property Organisation's Guide.<sup>5</sup> However, it is also a useful tool to identify 'small' copyright nations. Naturally, nations that are small in intellectual property terms will have smaller overall outputs, and thus may be of less consequence in terms of global influence, but nonetheless copyright related industries may play an important role in contributing to the economy. Following the global contribution scale, we can call these nations "Small Copyright" (SC) or Small Intellectual Property (SIP) nations, reflecting their lack of ability to influence global developments. Bhutan, for example, would be considered an SC, despite copyright and related industries contributing to over 5% GDP and 10% employment, and others can be seen in the WIPO Guide.<sup>6</sup> It needs to be noted, however, that the ability to make the most of fair use, and its contribution to economies, tends to get less attention from WIPO or IP development considerations as a whole.<sup>7</sup>

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<sup>2</sup>World Intellectual Property Organisation "Guide on Surveying the Economic Contribution of Copyright Industries" 2015. The previous Guide on Surveying the Economic Contribution of the Copyright-Based Industries 2003 was widely used to get a baseline of economic activities related to such industries. The new Guide is online at [http://www.wipo.int/edocs/pubdocs/en/copyright/893/wipo\\_pub\\_893.pdf](http://www.wipo.int/edocs/pubdocs/en/copyright/893/wipo_pub_893.pdf).

<sup>3</sup>World Intellectual Property Organisation "WIPO Studies on the Economic Contribution of the Copyright Industries" 2014. The relationship between creativity and how it is impacted and impacts culture is beyond the scope of discussion here, but for some insights see Mu et al. (2015).

<sup>4</sup>World Intellectual Property Organisation Copyright Treaty (WCT), Geneva 20 December 1996. Even if not party to the WCT many nations have brought in parts, such as anti-circumvention legislation. See, for example, the Seychelles Copyright Act 2014, s.32, prohibiting circumvention of technology protection measures.

<sup>5</sup>WIPO "Guide on Surveying the Economic Contribution of the Copyright Industries", 2015 revised edition. *Supra* note 3.

<sup>6</sup>Ibid.

<sup>7</sup>Discussed below at note 13.

In the realm of copyright, which is perhaps the most harmonised intellectual property right, the room for the SC nations to cut out a niche for their own jurisdictions is limited. This chapter discusses the possibilities for such nations to take actions that fall outside the current norms for intellectual property harmonisation.

## 2 Global Copyright Harmonisation

Since the Berne Convention 1886,<sup>8</sup> there has been a global to move towards ‘harmonised’ copyright laws around the world aided by treaties and bilateral agreements. The SC nations have had very little influence on the progress of the negotiations that lead to these agreements. Even developing nations with some influence, such as India, had great difficulty in getting compromise in the negotiations for TRIPS (although they were somewhat successful in getting the postponement of the adoption of some patent compliance). There have been legions of articles on impact of international treaties on jurisdictions’ intellectual property development,<sup>9</sup> whether criticisms on the breadth of exceptions or the need for ‘technology neutral’ copyright legislation to meet the digital needs of the modern era. Discussions on the ability of nations to construct IP frameworks for the benefit of their own particular environment often focus on the “three step test”,<sup>10</sup> and how various types of legislation do or do not contradict the requirements of various agreements.<sup>11</sup> However, in the mainstream of copyright development inside jurisdictions, the need for continued movements towards further global copyright harmonisation is seen as a ‘good thing’.

There are also a plethora of international treaties directly relating to copyright, and Australia, for example, is party to seven.<sup>12</sup> Some of the SC nations have been

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<sup>8</sup>Berne Convention for the Protection of Literary and Artistic Works 1886, available at [http://www.wipo.int/treaties/en/text.jsp?file\\_id=283698](http://www.wipo.int/treaties/en/text.jsp?file_id=283698).

<sup>9</sup>For example, see Perry and Margoni (2011), pp. 157–170; Halpern and Johnson (2014).

<sup>10</sup>The test for limitations of exceptions has permeated copyright treaties, from Berne Article 9 to TRIPS Article 13 and the WCT Article 10, but generally it limits them special cases that don’t negate a normal exploitation of the work nor unreasonably prejudice the legitimate interests of the rights holder.

<sup>11</sup>For example, the Australian Law Reform Commission “Copyright and the Digital Economy” ALRC Report 122, at 4.164 “To deny Australia the significant economic and social benefits of a fair use exception,” [here discussing the three step test in Berne, TRIPS and AUSFTA] “the arguments that fair use is inconsistent with international law should be strong and persuasive, particularly considering other countries are enjoying the benefits of the exception. The ALRC does not find these arguments persuasive, and considers fair use to be consistent with international law.”

<sup>12</sup>Seven, not counting bilateral treaties: *Berne (Paris)* Apr. 14, 1928; Universal Copyright Convention, Geneva, 1952, May 1, 1969; Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of Their Phonograms, Geneva, 1971, June 22, 1974; Universal Copyright Convention as revised at Paris, 1971, Feb. 29, 1978; Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite, Brussels, 1974, Oct. 26, 1990; World Trade Organization (WTO), established pursuant to the Marrakesh



given a copyright agreement designation of ‘unclear’ by the United States Copyright Office, or not mentioned at all.<sup>13</sup>

Naturally, the subsequent revisions since Berne, inclusions in TRIPS and the many other copyright treaties such as WCT and WPPT, as well as bilateral and multilateral agreements have been subject to a great deal of analysis from numerous perspectives. However, there has been little note of how SC nations can escape the straightjacket of international copyright construction, which has mainly been driven by highly developed Western nations. Herein is an attempt to highlight the potential for developing nations to tailor their own copyright legislation well as subsequent related *sui generis* legislation to assure maximum benefit to their own situation, but without breaching the letter of agreements to which they are a party.

### 3 The Constraints of Harmonisation

Often the intellectual property clauses in bilateral agreements are included as an issue that is part of a larger trade agreement. Cynical commentators may say that the intellectual property clauses are slipped in to larger agreements to aid the United States’ quest for global harmonisation of intellectual property in the mould and model provided by the United States. A kind of intellectual property colonialism. Often discussion of intellectual property rights is mentioned as an afterthought, or buried amongst other pressing issues, and only comes to the fore due to criticisms from politicians and scholars aware of the area, and often such critical commentary is only available after the deal is negotiated. For example, the AUSFTA,<sup>14</sup> although making extensive changes to intellectual property in Australia, such as extending the copyright period by 20 years, was described by Ambassador Zoellick:

There is a hard-headed economic reality that supports this free trade agreement. More than 99% of the manufactured goods traded between the United States and Australia will be duty-free on the first day this ‘Manufacturing FTA’ goes into effect... This is the most significant immediate reduction of industrial tariffs ever achieved in a U.S. free trade agreement.<sup>15</sup>

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Agreement of Apr. 15, 1994, to implement The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Jan. 1, 1995; World Intellectual Property Organisation (WIPO) Copyright Treaty, Geneva, 1996, July 26, 2007; WIPO Performances and Phonograms Treaty, Geneva, 1996, July 26, 2007. Note that the date following the treaty date is that of Australia’s ratification. This data is taken from the United States Copyright Office “International Copyright Relations of the United States” June 2016, online at <http://copyright.gov/circs/circ38a.pdf>.

<sup>13</sup> Namely Kiribati, Nauru, Palau, Somalia, Southern Sudan, Tuvalu. SIDS make up four of these, with other SIDS being members of only Berne (such as the Federated States of Micronesia) or TRIPS (such as the Seychelles) or few other treaties. United States Copyright Office “International Copyright Relations of the United States” June 2016, online at <http://copyright.gov/circs/circ38a.pdf>.

<sup>14</sup> Australia and United States Free Trade Agreement, online at <http://dfat.gov.au/trade/agreements/ausfta/official-documents/Pages/official-documents.aspx>.

<sup>15</sup> The announcement was made in 18th May 2004, Office of the United States Trade Representative, Executive Office of the President, online <https://ustr.gov/about-us/policy-offices/press-office/>

More recent negotiations on international agreements, such as the Trans-Pacific Partnership (TPP),<sup>16</sup> also have intellectual property clauses, as well as SC nation involvement.<sup>17</sup> The TPP has gathered a great deal of commentary during its development, especially on the attempted patent term extension and data exclusivity for drug companies,<sup>18</sup> and criticism on the grounds of its insufficient recognition of the rights over traditional knowledge, which may be set back again by the adoption of stronger intellectual property right norms.<sup>19</sup> Other agreements that are under discussion include the Regional Comprehensive Economic Partnership,<sup>20</sup> which aims to establish a single trading partnership between ASEAN nations and countries which have free trade agreements with ASEAN members,<sup>21</sup> and discussions are supposed to come to a conclusion in late 2016. However, although intellectual property is one of the areas under consideration, little detail of what is being negotiated has been released.<sup>22</sup>

## 4 Some Examples of Individualistic Development of Intellectual Property and Related Laws and Possible Approaches for SC Nations

From a practical standpoint, it is extremely hard, or pointless, for SC nations to attempt to change the course of global harmonisation when such policy directions in intellectual property are driven by economic juggernauts. An alternative may be to see what local legislative development can do to minimise the deleterious effects that such globalisation may have on the local public good, whilst avoiding breaches

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[press-releases/archives/2004/may/united-states-and-australia-sign-free-trade-a](#) [sic]. For the excitement eventually generated in Australia see Weatherall (2004) and Fitzgerald (2006).

<sup>16</sup>Trans-Pacific Partnership, with Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam, is now less likely to proceed as envisioned due to the two United States Presidential candidates saying that they will not support its progress. Salmond (2016) puts the attempts of the agreement to lessen protection on goods, but with greater protection of intellectual property and investment as key reasons to substantial opposition to the TPP in the United States of America.

<sup>17</sup>Apart from Japan and the USA, all the others can be regarded as SIPS nations.

<sup>18</sup>Commentary by D G Shah “Impact Of The TPP On The Pharma Industry” 02 Dec 2015, Intellectual Property Watch online at <http://www.ip-watch.org/2015/12/02/impact-of-the-tpp-on-the-pharma-industry/>.

<sup>19</sup>Carwyn Jones, Claire Charters, Andrew Erueti, Jane Kelsey, “Māori Rights, Te Tiriti O Waitangi and the Trans-Pacific Partnership Agreement”, Expert Paper #3 online at <https://tpplegal.files.wordpress.com/2015/12/tpp-te-tiriti.pdf>.

<sup>20</sup>The Joint Declaration is online at <http://dfat.gov.au/trade/agreements/rcep/news/Documents/joint-declaration-on-the-launch-of-negotiations-for-the-regional-comprehensive-economic-partnership.pdf>.

<sup>21</sup>Namely Australia, China, India, Japan, Korea and New Zealand.

<sup>22</sup>Most commentary is in the form of gung ho press releases from politicians.

of the constraints in agreements such as the three-step-test in its many iterations, although that is very hard to determine in advance. One route is to look to local need and construct acceptable exceptions, or create local specialty. Grenada and Trinidad and Tobago, two SC nations, have created individualistic protection over works of ‘mas’, which refers to the masquerades typically made for the culturally important *Carnival* festival. The works are defined in Trinidad and Tobago Copyright Act Article 3,<sup>23</sup> and protected under Article 6,<sup>24</sup> with protection going to the producer (the person who makes the arrangements for the making of the work, subject to agreement) under Article 26(5).<sup>25</sup>

Article 3 provides that a “work of mas” is

an original production intended to be performed by a person or a group of persons in which an artistic work in the form of an adornment or image presented by the person or persons is the primary element of the production, and in which such adornment or image may be accompanied by words, music, choreography or other works, regardless of whether the production is intended to be performed on stage, platform, street or other venue.<sup>26</sup>

This kind of individualistic development in copyright raises many issues, for example, should such local rights be protected in other nations,<sup>27</sup> such as in the Notting Hill Carnival in London, and indeed should the Trinidad and Tobago rights be recognised?<sup>28</sup>

India, as a large developing nation, and as one of countries with a large copyright based industry that has often questioned Western IP ideology, has taken a strong stance on constructing IP laws to meet the needs of its own people. This is reflected in both legislation and treatment by the courts.<sup>29</sup> The recent decision from the High court of India, *The Chancellor, Masters & Scholars of the University of Oxford & Ors. v Rameshwari Photocopy Services & Anr.*,<sup>30</sup> demonstrates the court’s interpretation of the copyright legislation that keeps closely to the intention of the parliament

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<sup>23</sup> Article 3, Copyright Act 1997 (as amended), Chapter 82:80, Laws of Trinidad and Tobago, available online at <http://tradeind.gov.tt/wp-content/uploads/2016/02/Copyright-Act-82.80.pdf>.

<sup>24</sup> *Ibid*, Article 6.

<sup>25</sup> *Ibid*, Article 26(5).

<sup>26</sup> *Ibid*, Article 3.

<sup>27</sup> Of course, some ‘works of mas’ may fall within the ambit of protection under parts of the UK legislation as works of art.

<sup>28</sup> For discussion of the works of ‘mas’ issue, see Terrine Friday “Copyright Economy: Protecting ‘Works of Mas’ in Trinidad and Tobago” 21st November 2013 online at <http://www.iposgoode.ca/2013/11/copyright-economy-protecting-works-of-mas-in-trinidad-and-tobago/>.

<sup>29</sup> In terms of restraining what is seen as excessive extension of patents, see *Novartis v. Union of India* (2013) S.C. 1311 where the Indian Supreme Court upheld the decision on the rejection of a patent application by Novartis for its beta crystalline form of Imatinib Mesylate (Glivec). The Court observed Novartis to be indulging a strategy, mostly accepted in the West, that led to ‘ever-greening’ of its patents. See discussion in Tripathy (2016).

<sup>30</sup> *The Chancellor, Masters & Scholars of the University of Oxford & Ors. v Rameshwari Photocopy Services & Anr.* 16th September, 2016 CS(OS) 2439/2012, I.As. No. 14632/2012 (of the plaintiffs u/O 39 R-1&2 CPC), 430/2013 (of D-2 u/O 39 R-4 CPC) & 3455/2013 (of D-3 u/O 39 R-4 CPC).

to give education broad exceptions. The court also dealt with the application of the international “three-step-test”:

India, under the international covenants aforesaid, though has the freedom to legislate as to what extent utilization of copyrighted works for teaching purpose is permitted but agreed to ensure that the same is to the extent “justified by the purpose” and does not “unreasonably prejudice the legitimate rights of the author”.<sup>31</sup> [...] The international covenants aforesaid thus left it to the wisdom of the legislators of the member/privy countries to decide what is “justified for the purpose” and what would “unreasonably prejudice the legitimate interest of the author”. Our legislators, while carrying out the amendments to the Copyright Act are deemed to have kept the said international covenants in mind. Parliament/legislators have permitted reproduction of any work by a teacher or a pupil in the course of instructions. [...] The legislators have found reproduction of the copyrighted work in the course of instruction to be justified for the purpose of teaching and to be not unreasonably prejudicing the legitimate interest of the author. It is not for this Court to impose its own wisdom as to what is justified or what is unreasonable, to expand or restrict what the legislators have deemed fit. The legislature is not found to have imposed any limitation on the extent of reproduction.<sup>32</sup>

Indian courts lead in their application of intellectual property norms that are focused at local benefit rather than simply following developed world interpretations.

Often leveraging current intellectual property frameworks is feted as a tool for developing nations and disadvantaged groups, and indeed sometimes such tools can be utilised. For example, in the Taita Taveta County of Kenya the World Intellectual Property Organisation has brought together 400 sisal basket weavers to discuss a collective mark for their products,<sup>33</sup> as part of its project to show the importance of the trademark system to basket weavers.<sup>34</sup> Clearly some of the standard intellectual property tools can also be used for local benefit under a traditional ‘develop product – brand product – market product’ scheme, even where the product is eons old.

Other SC nations can be regarded as escaping the strictures imposed by the Big Intellectual Property (BIP) nation hegemony by avoiding major harmonising agreements such as TRIPS and WCT. Libya, for example, has managed to maintain its pre-Berne stance of life of the author plus 25 years for copyright.<sup>35</sup>

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<sup>31</sup> Ibid, para 96.

<sup>32</sup> Ibid, para 97.

<sup>33</sup> WIPO “Basket Weaving Project in Kenya Gains Momentum” 29 June 2016 online at [http://www.wipo.int/cooperation/en/funds\\_in\\_trust/japan\\_fitip/news/2016/news\\_0002.html](http://www.wipo.int/cooperation/en/funds_in_trust/japan_fitip/news/2016/news_0002.html). See also WIPO “Second Training Workshop and Stakeholders Meeting of the Branding Project using Intellectual Property (IP) for ‘Taita Basket’” WIPO/IP/WK/NBO/2/16, online at [http://www.wipo.int/meetings/en/details.jsp?meeting\\_id=40666](http://www.wipo.int/meetings/en/details.jsp?meeting_id=40666).

<sup>34</sup> WIPO “Bringing IP and Branding to Basket Weaving in Kenya” 17th March 2016 online at [http://www.wipo.int/cooperation/en/funds\\_in\\_trust/japan\\_fitip/news/2016/news\\_0001.html](http://www.wipo.int/cooperation/en/funds_in_trust/japan_fitip/news/2016/news_0001.html).

<sup>35</sup> See Ezieddin Mustafa Elmahjub “Protection of Intellectual Property in Islamic Shari’a and the Development of the Libyan Intellectual Property System” PhD Thesis, QUT 2014 online at [http://eprints.qut.edu.au/76106/1/Ezieddin%20M.%20Jaballa\\_Elmahjub\\_Thesis.pdf](http://eprints.qut.edu.au/76106/1/Ezieddin%20M.%20Jaballa_Elmahjub_Thesis.pdf): “A particular flexibility unique to the Libyan situation is the protection term for copyright works. As discussed

BIP nations, typically those big in copyright production as well as other intellectual property rights, are not restrained in introducing intellectual property variations in their own interest, of course. For example, the European Union's protection of non-original databases,<sup>36</sup> or the early adoption of anti-circumvention of technology protection measures by the United Kingdom in 1988,<sup>37</sup> prior to the WIPO Copyright Treaty.<sup>38</sup> Usually these changes to intellectual property laws are aimed at extending the reach, strength, breadth and length of protection, so they are unlikely to face challenges under international agreements, which are primarily focused on setting a minimum standard of protection rather than providing a basis for exceptions. Even within the EU there are variations that allow for works to be excepted or included in protection dependent on where they are, for example the treatment of photographs of sculptures and other works in public spaces.<sup>39</sup> Indeed, at times it seems as if the EU has difficulty even deciding what is the standard level of originality required for copyright.<sup>40</sup> At the time of writing, it is rumoured that the EU is drafting a new directive to ensure the introduction of further exceptions to copyright.<sup>41</sup> These would include broad mandatory exceptions for research (data mining), education and the ability for news' publishers to authorise online use (i.e. reduce authors' control over their contributions).

The picture of how intellectual property rights are managed is further complicated by state action badged as promoting creative development. For example, in some countries intellectual property assets and royalties are given significant tax breaks, ranging from Hungary where royalties from intellectual property of all

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above, Libyan Copyright Law protects copyright for the life of author plus twenty five years. Libya is entitled to use the flexibility provided under art 7/7 of the Berne Convention to keep the copyright term as it is. Any potential copyright law should make use of this flexibility." at p. 325.

<sup>36</sup> Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases, OJ L 77, 27.3.1996. The Commission of the European Communities DG Internal Market and Services Working Paper "First evaluation of Directive 96/9/EC on the legal protection of databases" December 2005 noted "Introduced to stimulate the production of databases in Europe, the "sui generis" protection has had no proven impact on the production of databases." Online [http://ec.europa.eu/internal\\_market/copyright/docs/databases/evaluation\\_report\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/databases/evaluation_report_en.pdf).

<sup>37</sup> Copyright, Designs and Patents Act 1988, c.48, section 296, as enacted online at <http://www.legislation.gov.uk/ukpga/1988/48/section/296/enacted>.

<sup>38</sup> WIPO Copyright Treaty (WCT) (adopted in Geneva on December 20, 1996) online at [http://www.wipo.int/edocs/lexdocs/treaties/en/wct/trt\\_wct\\_001en.pdf](http://www.wipo.int/edocs/lexdocs/treaties/en/wct/trt_wct_001en.pdf).

<sup>39</sup> There is a range of works in the public eye that are given a wide differential treatment for exceptions even in Europe when they are reproduced, for example as incidental copying in photographs. This exception is embodied in *Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society* as an exception to copyright, but some countries such as France are struggling to implement the same.

<sup>40</sup> See Margoni (2016).

<sup>41</sup> "COMMISSION STAFF WORKING DOCUMENT IMPACT ASSESSMENT on the modernisation of EU copyright rules" unverified draft at <http://statewatch.org/news/2016/aug/eu-com-copyright-draft.pdf> 3 Sept 2016.

kinds are on reduced tax, to the United Kingdom where there is a ‘patent box’ to give tax relief on profits. Although these types of mechanisms are outside the range of intellectual property legislation, they give significant bias towards particular types of business development.<sup>42</sup>

One of the key general points is that there are a number of approaches to copyright that are not typically addressed in discussion of the economic benefits of protection, in particular the contribution made by the *non-protection* aspects of copyright regimes. For example, the role of fair use as part of the foundations of some industries ability to contribute to the economy, globally exceeding trillions of US dollars,<sup>43</sup> is typically not reflected upon as a positive economic course that can be followed. SC nations can typically increase protection on what they regard as key assets that can come under copyright, whether works of ‘mas’ or perhaps even in areas of traditional knowledge or sacred sites and vistas of natural beauty, but using some of the examples provided for by the BIP nations.<sup>44</sup> However, it should be noted that perhaps the best route for smaller intellectual property nations, and those with little power to leverage on an international basis, can make use of exceptions and limitations to copyright to best serve their own peoples.

## 5 Conclusion

Looking across those developing nations that have recently implemented changes to their intellectual property laws, and in particular their copyright legislation, the explanation for the maximalist approach can be seen as the easiest route for them to take: i.e. adopt the norms promulgated by the BIP nations. It is perhaps not only due to a sense of facing the inevitable pressures but also a sense of optimistic acceptance of the promulgated reports that there will be greater overall economic benefit by taking on board the suggestions of powerful players. Others may feel that adopting the BIP nation structured international agreements aids development.<sup>45</sup> Some

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<sup>42</sup>For discussion of tax policy, see Klemens, Ben, A Boxing Match: Can Intellectual Property Boxes Achieve Their Stated Goals? (15th August 2016). Available at SSRN: <http://ssrn.com/abstract=2822575> or <https://doi.org/10.2139/ssrn.2822575>, who in short argues that the tax incentives create corporate benefits over state benefits.

<sup>43</sup>Thomas Rogers & Andrew Szamosszegi, “Fair Use in the U.S. Economy: Economic Contribution of Industries Relying on Fair Use” (CCIA: 2010) available online at [www.cciainet.org](http://www.cciainet.org) gives a figure of such industries generating revenues of \$4.7 trillion dollars in 2007 in the United States of America, employment in industries benefitting from fair use at 17.5 million (p. 8).

<sup>44</sup>France, for example, claiming rights over all photos of the Eiffel Tower—see Lobert, Joshua and Isaias, Bianca and Bernardi, Karel and Mazziotti, Giuseppe and Alemanno, Alberto and Khadar, Lamin, The EU Public Interest Clinic and Wikimedia Present: Extending Freedom of Panorama in Europe (April 25, 2015). HEC Paris Research Paper No. LAW-2015-1092. online <http://ssrn.com/abstract=2602683> or and Newell (2010–2011).

<sup>45</sup>For example, a co-contributor to this book Adebambo Adewopo writes: “...developing countries will continue to provide the geo-political imperative for the reconstruction and balance of

nations, such as Libya, have managed to escape the excesses of intellectual property protection from being imposed by the BIP nations more through an accident of history rather than purposeful policy direction.<sup>46</sup> Others, such as India, discussed above, although party to most international agreements relating to Intellectual Property, have taken measures to restrict excesses of protection, which they see as contrary to their own public interest. There are examples of where the adoption of open data, open science, open culture and open access provide benefits not only to developed nations with relatively well funded and advanced science research platforms but also to developing nations. It behoves policymakers in developing nations to take perhaps the harder route to the creation and modernisation of the copyright laws, and other intellectual property laws, by reaching for solutions that are outside of those that come on the table from seemingly helpful sources, whether they be the BIP nations or international bodies heavily influenced by the hegemony. Rather than pick up TRIPs or the latest international harmonisation agreement and copy directly into the jurisdiction's legislation, perhaps a more beneficial approach would be for such small nations to look to where to adjust such legislation to give effect to the local balance between protecting rights holders and giving optimum access to knowledge resources.

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international copyright law and remain the main issue that would determine the future of IP as an instrument for development", see in this volume Adebambo Adewopo, Copyright and Access to Knowledge in Developing Countries: Lessons For Nigeria's Emerging Copyright Reform, section 4.

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## **Part II**

# **Government and Copyright**

# Australia-US Copyright Relations: An Unhurried View of the Reciprocal Protection of Literary Works



John Gilchrist

The legal recognition by Australia and the United States of each other's copyright works has undergone a dramatic change since the foundation of the Berne Convention for the Protection of Literary and Artistic Works in the nineteenth century. In some respects the legal relationship has inverted. This chapter examines the reciprocal protection of literary works that have been produced by citizens of the United States and citizens of Australia since the beginnings of that Convention. The examination is focused on literary works for the sake of cohesion and for historical comparison over the entire period.

Inherent in this examination is to what degree national interests have influenced the extent and nature of protection in these two countries. One particular question in that examination is whether the history of either of these two countries reflects the general observations made by Ricketson in his work *The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986* on 'freeriding', that is, using the works of foreign copyright owners without any payment at all.

The history of freeriding is an ancient, if dishonourable, one, and the practice has been adopted by many countries, including a number that are now pillars of the international copyright establishment'.<sup>1</sup>

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<sup>1</sup>Ricketson (1987), p. 591.

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# 1 The Present Copyright Relationship Between Australia and the United States of America

Copyright relations between Australia and the United States of America are principally governed by their common membership of the Paris Act of the International Convention for the Protection of Literary and Artistic Works (Berne Convention). Australia's accession to the Paris Act of the Berne Convention came into force on 1 March 1978. The Paris Act entered into force in the United States on 1 March 1989. Their relationship under the Berne Convention has been subsequently underpinned by the US and Australia's common membership of the TRIPS Agreement (Trade Related Aspects of Intellectual Property Rights) (1995), their common membership of the WIPO Copyright Treaty (2007) and by the Australia-US Free Trade Agreement (AUSFTA) (2005).<sup>2</sup>

The TRIPS Agreement is Annex 1C of the Marrakesh Agreement establishing the World Trade Organization (WTO) signed in Marrakesh, Morocco on 15 April 1994. It principally requires members to comply with Articles 1-21 of the Berne Convention, to protect computer programs as literary works under the Berne Convention, to provide a rental right for computer programs and cinematograph works and to protect performers, producers of phonograms and broadcasting organizations in a similar way to the Rome Convention. Australia and the US became parties to the WTO on 1 January 1995. The Articles of the WIPO Copyright Treaty confirm the extended protection provided under the TRIPS Agreement and expressly provide a right of communication to the public which encompasses communication by wire or wireless means, such as online communication. The WIPO Copyright Treaty was ratified by the US in 2002 and acceded to by Australia in 2007.

Australia agreed under the negotiated outcomes of AUSFTA to extend copyright protection for published literary works to the life of the author plus 70 years after the author's death or 70 years after first performance or publication.<sup>3</sup> This went beyond the requirements of the Paris Act of the Berne Convention of life plus 50 years and despite the fact that Australia is a net importer of copyright material. AUSFTA outcomes also included wider criminal provisions for copyright infringement.

The US accession to the Paris Act of the Berne Convention, with its high standards of protection and the absence of formalities as a condition of obtaining protection, was later than most developed countries' adherence to the Berne Convention, including Australia's. Most countries of the world which provide copyright protection are now parties to this Convention.

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<sup>2</sup> 'Free' trade is a misnomer if the word 'free' is construed as completely free. AUSFTA seeks to reduce barriers to trade between the US and Australia and represents a negotiated outcome between those Governments.

<sup>3</sup> This extension of protection did not include Commonwealth and State works.

## 1.1 *Australia Under the US Special 301 Report Watch List*

About 2 months after the Paris Act of the Berne Convention came into force in the US, on 25 May 1989, the first ‘Special 301’ Report was released by the Executive Office of the President, Office of the United States Trade Representative, in which the United States Trade Representative (USTR) Carla Hills announced the action the US Administration would take pursuant to the so-called ‘Special 301’ property provisions of the *Omnibus Trade and Competitiveness Act of 1988* ‘to ensure adequate and effective protection of intellectual property rights’.<sup>4</sup>

The Special 301 authority was designed to enhance the Administration’s ability to negotiate improvements in foreign intellectual property regimes through bilateral and/or multilateral initiatives. Specifically, the statute requires the USTR to identify those foreign countries denying protection of intellectual property rights and market access to U.S. firms relying on such protection, and to determine which of those countries are “priority countries,” triggering an accelerated six month investigation. However, where countries are entering into, or making significant progress in, good faith negotiations, the USTR is precluded by the statute from identifying them as priority countries.<sup>5</sup>

In announcing action plans for resolving outstanding issues in relation to eight trading partners on the ‘Priority Watch List’ Carla Hills stated:

The announced action underscores the Congressional finding that international protection of intellectual property rights is vital to U.S. competitiveness. The denial of such protection is not only harmful to the economic interests of the United States, it undermines the creativity, invention and investment that are essential to economic and technological growth in all countries.<sup>6</sup>

In the 1991 Special 301 Report the United States Trade Representative stated the practices of China, India and Thailand were found to be egregious, resulting in an adverse impact on US industry. All three had been on the Priority Watch List since the first report in 1989. Australia was added to the Priority Watch List<sup>7</sup> in 1991 for reasons explained in the Report.

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<sup>4</sup>Office of the United States Trade Representative, Executive Office of the President, (USTR) *1989 Special 301 Report* (May 25, 1989) 1 <<https://ustr.gov/sites/default/files/1989%20Special%20301%20Report.pdf>>. As an amendment by section 1302 of the *Omnibus Foreign Trade and Competitiveness Act*, Special 301 (which focuses on IP rights) required the USTR for 1989 and 1990 and for some years subsequently to issue a report on its trade priorities and to identify priority foreign countries that practiced unfair trade and priority practices that had the greatest effect on restricting US exports. The USTR then would initiate a Section 301 investigation under the *US Trade Act of 1974* against the priority countries to obtain elimination of the practices that impeded U.S. exports, in the expectation that doing so would substantially expand U.S. exports.

<sup>5</sup>Ibid.

<sup>6</sup>Ibid.

<sup>7</sup> ‘Priority foreign countries are those countries that:

- (1) have the most onerous and egregious acts, policies and practices which have the greatest adverse impact (actual or potential) on the relevant U.S. products; and,
- (2) are not engaged in good faith negotiations or making significant progress in negotiations to address these problems’.

Australia was also placed on the Priority Watch List under the market access provisions of the statute for limiting U.S. audiovisual exports. Australia maintains a quota of 40% Australian origin on television transmissions from 6 a.m. to midnight; this quota will rise to 50 percent in 1993. In addition, the Australian Broadcast (sic) Tribunal requires that dramatic programming meet “Australian look” standards, discouraging foreign television programs. Finally, with the exception of 20 percent of the pictorial matter, all television advertisements must be produced in Australia or New Zealand.<sup>8</sup>

In 1992 the Special 301 Report retained Australia on its Priority Watch List and expressed its concern ‘about the level of protection Australia provides to sound recordings and textbooks’.<sup>9</sup> In 1994 Australia was dropped from the Priority Watch List to the ‘Watch List’<sup>10</sup> but nevertheless the US ‘remained concerned about parallel importation, rental rights and other copyright issues’.<sup>11</sup> Australia returned to the Watch List in 1996 in 1997 over ‘its failure to provide adequate protection for test data submitted to regulatory authorities for the marketing approval of pharmaceuticals and agricultural chemicals’<sup>12</sup> and additionally in 1997 because ‘the US Government is also concerned that Australia may decide to expand its current rules regarding the parallel importation of books to permit the parallel importation for sound recordings potentially, software and possibly broader coverage of books’.<sup>13</sup> Australia continued on the ‘Watch List’ in 1998 and 1999. In 1999 the Special 301 report stated:

Australia: In general, Australia has provided sound intellectual property protection. However, the United States is seriously concerned with the minimalist approach Australia has taken toward intellectual property protection in recent years, especially with respect to certain decisions taken over the last year that clearly erode the level of copyright protection available in Australia. In 1998, Australia passed legislation to abolish the importation right for sound recordings over the strong objection of right holders, Australian recording artists, and the United States Government. Regrettably, Australia is also now considering abolishing

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Office of the United States Trade Representative, Executive Office of the President, (*hereafter cited simply as USTR*) *1994 Special 301 Report* (April 30 1994) 8 <<https://ustr.gov/sites/default/files/1994%20Special%20301%20Report.pdf>>.

<sup>8</sup> USTR, *1991 Special 301 Report* (April 26, 1991) 4 <<https://ustr.gov/sites/default/files/1994%20Special%20301%20Report.pdf>>.

<sup>9</sup> USTR, *1992 Special 301 Report* (April 29, 1992) 7 (3) <<https://ustr.gov/sites/default/files/1992%20Special%20301%20Report.pdf>>.

<sup>10</sup> The (US) Administration uses the “watch list” as a means to monitor progress in implementing commitments with regard to the protection of intellectual property rights and for providing comparable market access for U.S. intellectual property products. Office of the USTR, *1994 Special 301 Report* (April 30 1994) 12 <<https://ustr.gov/sites/default/files/1994%20Special%20301%20Report.pdf>>.

<sup>11</sup> USTR, *1994 Special 301 Report* (April 30 1994) 12-13 <<https://ustr.gov/sites/default/files/1994%20Special%20301%20Report.pdf>>.

<sup>12</sup> USTR, *1996 Special 301 Report* (April 30 1996) 11 <<https://ustr.gov/sites/default/files/1996%20Special%20301%20Report.pdf>>.

<sup>13</sup> USTR, *1997 Special 301 Report* (April 30 1997) 11 <<https://ustr.gov/sites/default/files/1997%20Special%20301%20Report.pdf>>.

the importation right for other copyrighted works including software, electronic games and gaming equipment. ...<sup>14</sup>

Through the Special 301 reporting mechanism, the United States has sought to protect and enforce its national interests against countries that do not in its view conform to current international standards of intellectual property protection. Conformance is sought by direct negotiation which is backed by action under s 301 of the *Trade Act of 1974* (US) including initiating dispute settlement proceedings at the World Trade Organization.<sup>15</sup> Such action has included imposing trade tariffs on unrelated imports from that country. For example, \$75 million worth of unilateral trade sanctions under s 301 were imposed on 23 January 2002 on Ukrainian imports, due to Ukraine's persistent failure to take effective action against significant levels of optical media piracy and to implement intellectual property laws that provide adequate and effective protection. This was expressed to be in repeated non-compliance with a June 2000 Joint Action Plan.<sup>16</sup>

The 'special 301' provisions of the Trade Act of 1974, as amended, require the USTR to determine whether the acts, policies and practices of foreign countries deny adequate and effective protection of intellectual property rights or fair and equitable market access for U.S. persons who rely on intellectual property protection. 'Special 301' was amended in the Uruguay Round Agreements Act to clarify that a country can be found to deny adequate and effective intellectual property protection even if it is in compliance with its obligations under the TRIPs Agreement. It was also amended to direct the USTR to take into account a country's prior status and behavior under 'special 301'.<sup>17</sup>

<sup>14</sup> USTR, *1999 Special 301 Report* (April 30, 1999) 14 <<https://ustr.gov/sites/default/files/1999%20Special%20301%20Report.pdf>>. The *Copyright Amendment Act (No 2) 1998* inserted s44D in the *Copyright Act 1968* which enabled the parallel importation of non-infringing copies of sound recordings.

<sup>15</sup> Section 301(1) of the U.S. *Trade Act of 1974*, (Pub.L. 93–618, 19 U.S.C. § 2411) provides:

(a) Mandatory action.—

(1) If the United States Trade Representative determines under section 2414(a) of this title that—

(A) the rights of the United States under any trade agreement are being denied; or

(B) an act, policy, or practice of a foreign country—

(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or

(ii) is unjustifiable and burdens or restricts United States commerce;

the Trade Representative shall take action authorized in subsection (c), subject to the specific direction, if any, of the President regarding any such action, and shall take all other appropriate and feasible action within the power of the President that the President may direct the Trade Representative to take under this subsection, to enforce such rights or to obtain the elimination of such act, policy, or practice. Actions may be taken that are within the power of the President with respect to trade in any goods or services, or with respect to any other area of pertinent relations with the foreign country.

<sup>16</sup> Ukraine was not then a member of the WTO. Refer Office of the United States Trade Representative, Executive Office of the President, *2002 Special 301 Report 1*, 16 <<https://ustr.gov/sites/default/files/2002%20Special%20301%20Report.pdf>>.

<sup>17</sup> USTR, *1996 Special 301 Report* (April 30, 1996) 8. <<https://ustr.gov/sites/default/files/1996%20Special%20301%20Report.pdf>>. The International Intellectual Property Alliance (IIPA), 'a pri-



In late 1998 the European Communities initiated action under the WTO to challenge s 301 and related sections of the US *Trade Act of 1974* as contrary to the dispute settlement rules (WTO Understanding on Rules and Procedures Governing the Settlement of Disputes) of the WTO Agreement. Sixteen third parties joined the challenge, including Canada, India and Japan, but not Australia.<sup>18</sup> The WTO Panel established to hear the dispute held in January 2000 that the relevant sections (301–310) of the US *Trade Act of 1974* were not inconsistent with US obligations under the WTO on the grounds that the law does not *require* any unilateral action by the US.<sup>19</sup> The USTR under its law has a discretion to postpone any enforcement action until after all WTO dispute settlement proceedings have been completed. The WTO Panel also ruled that taking any enforcement action under s 301 as authorized in the US *Trade Act of 1974* against other WTO member countries without first securing approval under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes is, itself, a violation of the WTO Agreement.

Since 1999 Australia has not been placed on the Special 301 Watch List, although there have been a large number of countries including the European Union and Canada who have been placed on that List.<sup>20</sup>

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vate sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries in bilateral and multilateral efforts working to improve international protection and enforcement of copyrighted materials and open up foreign markets closed by piracy and other market access barriers' has, since 2001, produced its own Special 301 Reports with Priority Watch Lists and Watch lists which are submitted to the USTR in support of its goals. <<http://www.iipa.com/special301.html>>.

<sup>18</sup> In its Panel submissions 'the US itself volunteered that Sections 301-310 are an unpopular piece of legislation'. *United States - Sections 301-310 of the Trade Act of 1974*, WTO Panel Report, WT/DS152/R, adopted January 27, 2000, para 7.11 <<http://www.sice.oas.org/DISPUTE/wto/tract36e.asp#FINDINGS>>.

<sup>19</sup> See *United States - Sections 301-310 of the Trade Act of 1974*, WTO Panel Report, WT/DS152/R, adopted January 27, 2000, paras. 7.38–7.39 <<http://www.sice.oas.org/DISPUTE/wto/tract36e.asp#FINDINGS>>

<sup>20</sup> USTR, 2000 *Special 301 Report* (May 1, 2000) 15 <<https://ustr.gov/sites/default/files/2000%20Special%20301%20Report.pdf>>. Priority Watch List ... 'The European Union: In 1999, the United States initiated WTO dispute settlement proceedings against the European Union regarding its regulation concerning geographical indications for foodstuffs and agricultural products. Concerns have been expressed that this regulation denies national treatment and does not adequately protect pre-existing trademarks. The EU continues to deny national treatment to U.S. intellectual property right holders in other areas as well. For example, the reciprocity requirement in the data base directive continues to be of concern. Restrictions in certain member states also deny market access opportunities for U.S. right holders. The Administration has made several efforts to address other intellectual property issues of concern to the United States in the context of the U.S. - EU TransAtlantic Economic Partnership -- those efforts have produced little result to date, though the United States remains hopeful of progress in these areas'.

## 1.2 Protection of US Government Works in Australia

The pursuit of national economic interests is evident in claims made by the United States for the copyright in US federal government works in jurisdictions overseas<sup>21</sup> although s 105 of the *US Copyright Act of 1976* provides:

S 105 • Subject Matter of Copyright: United States Government Works

Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise.

The House Report No. 94-1476 on Copyright Law Revision leading to the 1976 Act stated:

The prohibition on copyright protection for United States Government works is not intended to have any effect on protection of these works abroad. Works of the governments of most other countries are copyrighted. There are no valid policy reasons for denying such protection to United States Government works in foreign countries, or for precluding the Government from making licenses for the use of its works abroad.<sup>22</sup>

The placement of US Government works in the public domain under US law began with the *US Printing Act of 1895* (s 52). Whether US Government works in the public domain in the United States are protected by copyright in Australia is dependent on the operation of the Copyright (International Protection) Regulations 1969, passed in pursuance of Part X11 (s 249) of the *Copyright Act 1968* (Cth).

Regulation 5 of the Copyright (International Protection) Regulations made on 24 April 1969 provided:

Copyright subsisting in a published work or a published cinematograph film by reason only of the operation of these Regulations ceases to subsist upon the expiration of the term of the protection in the nature of copyright that subsists in relation to such a work or film under the law of the country of origin of the work or film.

Regulation 5 was repealed by the Copyright (International Protection) Amendment Regulations (No 1) 1998 No 360 which came into force on 22 December 1998 (on *Gazettabl*). The reasons for the repeal are set out in the Explanatory Statement.

Regulation 5 provides that copyright subsisting in a published work or film by reason only of the operation of the Principal Regulations ceases to subsist on the expiry of the term of protection in the country of origin. "The country of origin" is defined in subregulation 3(1) by reference, *inter alia*, to publication first or "simultaneously" in one or more countries set out in Schedule 1 to the Principal Regulations. Under subregulation 3(1) publication occurs "simultaneously" in a country if a work or film is published there within 30 days of first publication in another country.

<sup>21</sup> United States. CENDI. Issues Affecting the US Government (October 8, 2008, 2008-1) 3.1.7. 'Copyright is sometimes asserted by U.S. Government agencies outside the United States' <<http://www.cendi.gov/publications/04-8copyright.html#317>>.

<sup>22</sup> United States. House of Representatives Report No 94-1476, *Copyright Law Revision* (September 3, 1976) 94th Congress, 2d Session, 59 <[http://www.copyright.gov/history/law/clrev\\_94-1476.pdf](http://www.copyright.gov/history/law/clrev_94-1476.pdf)>.

The amendment regulations repeal regulation 5 and consequently omit the definitions of “simultaneously” and “the country of origin” in subregulation 3(1) of the Principal Regulations. Because of the growth in membership of the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (TRIPs) and the *Berne Convention for the Protection of Literary and Artistic Works* (the Berne Convention), the great majority of countries relevantly listed in Schedule 1 to the Principal Regulations provide, or will soon provide, for duration of protection which is the same as, or in some cases greater than, that provided in Australia. (Both TRIPs, in part, and the Berne Convention are treaties which oblige members to provide minimum standards of copyright protection.) Consequently, regulation 5 has little practical effect.

Repeal of regulation 5 simplifies the application of the Principal Regulations and makes the law more easily ascertainable without prejudicing any national interest. Regulation 5 in its terms gives effect to a comparison of terms of protection permitted under the Berne Convention and TRIPs. Such a comparison is not mandatory and repeal is therefore equally consistent with these international instruments.<sup>23</sup>

In 2003 the Copyright (International Protection) Regulations were further amended by Statutory Rules 337 of 2003 which came into force on 23 December 2003. Regulation 5 now simply provides that copyright in published editions of works only subsists in relation to the edition so long as protection in the nature of copyright subsists under the law of the foreign country. This does not extend to works in the foreign country that do not receive copyright protection in the foreign country, that is, have been excluded by law such as s 105 of the *US Copyright Act of 1976* or s 27 of the *Copyright Act 1994* (NZ). The Explanatory Statement for the Copyright (International Protection) Amendment Regulations (No1) 1998 has overlooked the public domain implications of the 1998 repeal of regulation 5.

Until the time of the 1998 repeal, works which were in the public domain in their country of origin arguably would not have received protection in Australia since their term of protection in their country of origin was zero.

The repealed regulation 5 reflects Article 7 (8) of the Paris Act of the Berne Convention:

In any case, the term shall be governed by the legislation of the country where protection is claimed; however, unless the legislation of that country otherwise provides, the term shall not exceed the term fixed in the country of origin of the work.<sup>24</sup>

As a matter of policy Australia should reject any claims for protection of works under Australian law which are in the public domain in their country of origin and clarify the Australian law accordingly. This is consistent with Article 7(8) and with Australia’s national interest as a net importer of copyright material.<sup>25</sup>

<sup>23</sup> Explanatory Statement, Copyright (International Protection) Amendment Regulations 1998 (No. 1) 1998 No. 360 (Cth) <<https://www.comlaw.gov.au/Details/F1998B00377/Explanatory%20Statement/Text>>.

<sup>24</sup> WIPO. *Berne Convention for the Protection of Literary and Artistic Works*, (Paris Act as amended on September 28, 1979) Article 7(8) <[http://www.wipo.int/treaties/en/text.jsp?file\\_id=283698#P127\\_22000](http://www.wipo.int/treaties/en/text.jsp?file_id=283698#P127_22000)>.

<sup>25</sup> Refer Australia. Productivity Commission, *Intellectual Property Arrangements: Productivity Commission Inquiry Report No 78* (23 September 2016) Canberra, 107 <<http://www.pc.gov.au/inquiries/completed/intellectual-property/report/intellectual-property.pdf>>.

### 1.3 *Government Use Under the Proposed Trans-Pacific Partnership Agreement*

The negotiated Trans-Pacific Partnership (TPP) is a Trade Agreement in which the United States played a principal part. It seeks to bind a range of Pacific rim countries into a preferential trade deal but does not include the largest Pacific rim country, the Peoples Republic of China. The US Obama administration signed the TPP in February 2016. In January 2017 the Trump administration announced it did not intend to become a party to the TPP, although President Trump has more recently stated that the US may rejoin the TPP. The remaining 11 TPP signatories, which include Australia, agreed to implement the TPP (with limited exceptions) through a separate agreement known as TPP-11. As of July 2018, it is not yet in force.

The TPP contains a provision which undermines the policy of unfettered ability of government to use the Crown use provisions of the Australian *Copyright Act* for national and State interests. The Crown use provisions (s 183 and its ancillary provision s 183A) enable the Commonwealth or a State, or a person authorised in writing by the Commonwealth or State, to do any acts comprised in the copyright in a work (or other copyright subject matter) if the acts are done ‘for the services of the Commonwealth or State’, but subject to compensation. The provisions emanate from a recognition of the needs of government to use copyright material in the exercise of its fundamental responsibilities to the community it serves such as defence, policing, essential communications and emergency relief, without the need to seek prior agreement with copyright owners and without the risk of an injunction to restrain it.

Article 18.80 of the TPP provides as follows:

#### **Article 18.80: Government Use of Software**

1. Each Party recognises the importance of promoting the adoption of measures to enhance government awareness of respect for intellectual property rights and of the detrimental effects of the infringement of intellectual property rights.
2. Each Party shall adopt or maintain appropriate laws, regulations, policies, orders, government-issued guidelines, or administrative or executive decrees that provide that its central government agencies use only non-infringing computer software protected by copyright and related rights, and, if applicable, only use that computer software in a manner authorised by the relevant licence. These measures shall apply to the acquisition and management of the software for government use.<sup>26</sup>

The concern in paragraph 2 about software protection stems from an October 1998 Executive Order ‘directing United States Government agencies to maintain appropriate, effective procedures to ensure authorized use of legitimate software. In

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<sup>26</sup>Australia. Department of Foreign Affairs and Trade, *Text of the Trans-Pacific Partnership Agreement*, 18 Intellectual Property <<http://dfat.gov.au/trade/agreements/not-yet-in-force/tpp-11/official-documents/Documents/18-intellectual-property.pdf>>. Footnote 147 to the Article states ‘For greater certainty, paragraph 2 should not be interpreted as encouraging regional government agencies to use infringing computer software or, if applicable, to use computer software in a manner which is not authorised by the relevant licence’.

addition, USTR was directed to undertake an initiative to work with other governments, particularly those in need of modernizing their software management systems or about which concerns have been expressed, regarding unauthorized use of software and use of illegal software'.<sup>27</sup>

Use of software 'authorized by the relevant licence' may be contrary to the national interests of government. Software licences can be limited in time, may only be available on a monthly or annual fee basis, may be limited to specific agencies and their employees, may impose heavy financial imposts for breach and may otherwise impose contractual limitations which are tantamount to additional copyright rights. Such conditions may unfairly restrict government in dealing with exigencies. It is in Australia's interests that the Crown use provisions in the Australian *Copyright Act* remain unfettered by assumed obligations under this Article of the TPP, to continue to enable government to expeditiously and effectively deal with emergencies and crises and other matters of public importance.

#### ***1.4 Basis for US Action as Guardian of the International Copyright Establishment***

The US accession to the Paris Act of the Berne Convention was dilatory. This dilatoriness appears to be inconsistent with the national interests of the US, considering the importance of copyright-based industries to US exports, such as its world-leading music and film industries and its emerging world domination of information technology industries. However, as Nimmer points out, even as late as World War II, the United States remained a net importer of copyright goods. 'Since then ... it has gradually become the principal copyright exporter in the world'.<sup>28</sup>

In short, the United States of America has expressly stated that the international protection of intellectual property rights is vital to US competitiveness and its national economic interests. It is the world's largest and wealthiest economy and is presently a self-interested guardian of the international copyright establishment.

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<sup>27</sup> USTR, 2006 *Special 301 Report*, 9 <<https://ustr.gov/sites/default/files/2006%20Special%20301%20Report.pdf>>.

<sup>28</sup> Nimmer (1992), pp. 211, 214.

### ***1.5 Position of Australia in the International Copyright Establishment***

Australia, on the other hand, presently observes high levels of protection and has done so from the mid nineteenth century as a consequence of its British colonial and empire origins and of thus meeting the national interests of the UK. It has done so despite the fact that it has always been a net importer of copyright material.

Australian copyright law has historically been intertwined with UK law and while its domestic legislation has developed some Australian features in the late twentieth century which reflect the demands for access to works in a large, dispersely-populated continent, the overall levels of protection are high and similar to that of the UK. Australia has also amended its copyright law to give effect to the requirements of the international treaties it has become a party to. Over the recent past it has also been the subject of direct diplomatic action to address perceived concerns of the United States about protection. It is apparent from the Special 301 Reports referred to above that the concerns expressed by the USTR about the placing of Australian content requirements for television transmissions prioritize US economic concerns over the preservation of the culture of Australians. This in turn reveals a disturbing US myopia about the importance of its economic interests over the culture of other countries that lies at the foundation of national copyright protection. It is a concern expressed by writers in some other countries. As Doern and Tomlin state, ‘...the Americans insisted on treating culture and just another name for the entertainment business, rather than central to Canadian identity’.<sup>29</sup> Recital 5 of Directive 2007/65/EC of the European Parliament and Council concerning the pursuit of television broadcasting activities reflects a broader cultural view:

In its resolutions of 1 December 2005 <sup>(5)</sup> and 4 April 2006 <sup>(6)</sup> on the Doha Round and on the WTO Ministerial Conferences, the European Parliament called for basic public services, such as audiovisual services, to be excluded from liberalisation under the GATS negotiations. In its resolution of 27 April 2006 <sup>(7)</sup>, the European Parliament supported the Unesco Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which states in particular that ‘cultural activities, goods and services have both an economic and a cultural nature, because they convey identities, values and meanings, and must therefore not be treated as solely having commercial value’. The Council Decision 2006/515/EC of 18 May 2006 on the conclusion of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions <sup>(8)</sup> approved the Unesco Convention on behalf of the Community. The Convention entered into force on 18 March 2007. This Directive respects the principles of that Convention.

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<sup>29</sup> Doern and Tomlin (1991), p. 97. Writers in Canada and New Zealand for example, have expressed concern about the inclusion of cultural industries in free trade agreements with the United States. As Edwardson states, ‘Little if any sympathy was shown for the struggle to ensure cultural discourse in a domestic marketplace favouring imports, let alone the broader importance that Canadians placed upon culture as a means of consolidating nationhood’: Edwardson (2008), p. 255. Refer also Kelsey (1999), pp. 357ff. ‘...the collision between the universalising goal of globalization and people’s deep-seated notions of sovereignty, democratic government and tino rangatiratanga has created tensions that seem impossible to reconcile’.

The 2007 Directive amended Council Directive 89/552/EEC of 3 October 1989 and Directive 97/36/EC of the European Parliament and of the Council concerning the pursuit of television broadcasting activities. It provides at Art 4 (1) and Art 5:

#### Article 4

1. Member States shall ensure where practicable and by appropriate means, that broadcasters reserve for European works, within the meaning of Article 6, a majority proportion of their transmission time, excluding the time appointed to news, sports events, games, advertising, teletext services and teleshopping. This proportion, having regard to the broadcaster's informational, educational, cultural and entertainment responsibilities to its viewing public, should be achieved progressively, on the basis of suitable criteria.

#### Article 5

Member States shall ensure, where practicable and by appropriate means, that broadcasters reserve at least 10% of their transmission time, excluding the time appointed to news, sports events, games, advertising, teletext services and teleshopping, or alternatively, at the discretion of the Member State, at least 10% of their programming budget, for European works created by producers who are independent of broadcasters. This proportion, having regard to broadcasters' informational, educational, cultural and entertainment responsibilities to its viewing public, should be achieved progressively, on the basis of suitable criteria; it must be achieved by earmarking an adequate proportion for recent works, that is to say works transmitted within five years of their production.<sup>30</sup>

While the US raised objections to this requirement in a number of its Special 301 Reports, placing the European Union on its Priority Watch List, it did not refer this dispute to the WTO.<sup>31</sup> The Directive is still in force.

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<sup>30</sup>Recital 3 provides 'Audiovisual media services are as much cultural services as they are economic services. Their growing importance for societies, democracy—in particular by ensuring freedom of information, diversity of opinion and media pluralism—education and culture justifies the application of specific rules to these services'.

<sup>31</sup>Refer World Trade Organisation, *Chronological List of Disputes Cases* <[https://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_status\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm)> and *Disputes by Country or Territory* <[https://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_by\\_country\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm)>; also

USTR 1991 *Special 301 Report* (April 26, 1991) 3. <<https://ustr.gov/sites/default/files/1991%20Special%20301%20Report.pdf>> OR <[http://keionline.org/sites/default/files/ustr\\_special301\\_1991.pdf](http://keionline.org/sites/default/files/ustr_special301_1991.pdf)>.

USTR 1992 *Special 301 Report* (April 29, 1992) 7 (3) <<https://ustr.gov/sites/default/files/1992%20Special%20301%20Report.pdf>>.

USTR 1995 *Special 301 Report* (April 29, 1995) 8 (4) <<https://ustr.gov/sites/default/files/1995%20Special%20301%20Report.pdf>>.

USTR 1996 *Special 301 Report* (April 30, 1996) 9 <<https://ustr.gov/sites/default/files/1996%20Special%20301%20Report.pdf>>.

USTR 1997 *Special 301 Report* (April 30, 1997) 9 <<https://ustr.gov/sites/default/files/1997%20Special%20301%20Report.pdf>>.

USTR 1998 *Special 301 Report* (May 1, 1998) 11 <<https://ustr.gov/sites/default/files/1998%20Special%20301%20Report.pdf>>.

USTR 1999 *Special 301 Report* (April 30, 1999) 5, 10, 11 <<https://ustr.gov/sites/default/files/1999%20Special%20301%20Report.pdf>>.

USTR 2000 *Special 301 Report* (May 1, 2000) 15 <<https://ustr.gov/sites/default/files/2000%20Special%20301%20Report.pdf>>.



## 2 Early US-Australia Copyright Relations and ‘Freeriding’

### 2.1 *The Beginnings of US Protection of Australian Works Under the Chace Act of 1891*

The United Kingdom signed the Berne Convention on 9 September 1886, and the treaty entered into force on 5 December 1887 for the United Kingdom and all her self-governing dominions, including the various colonies of Australia.

Although the United States was represented at the diplomatic conferences in 1885 and 1886 that led to the Berne Convention,<sup>32</sup> it resisted calls to join this first multilateral copyright Convention. Under then US copyright law, literary works of its own citizens and residents were protected for a period of 14 years. A debate within the United States ensued for some time both before and after the 1885/6 conferences over whether the US should extend the protection of its copyright law outside its own citizens and residents. The debate included campaigns by British authors such as Charles Dickens who toured the eastern states of United States twice to promote recognition of foreign copyright in that country. Most of Dickens’ works were printed and published in the United States without permission or payment to the author.

Some US authors have explained the lack of strong sympathetic response in the United States as due to it being a net importer of books, there were comparatively few literary works produced in the United States that would have a market outside the US, the economic interests of US printers and publishers (who were able to sell unauthorised editions of foreign works very cheaply) and the labour force dependent on jobs in that industry, as well as the economic depression after the Civil War.

Nimmer for example states,

...the United States nonetheless declined to ratify the Berne Convention. At that time, simple economics dictated the lack of U.S. protection for foreigners-the United States did not wish to pay for the use of works by non-American authors, as no reciprocal revenue could be expected to flow back to American authors from the use of their works abroad. ‘In the four quarters of the globe, who reads an American book?’ ran a ‘famous exclamation’ of 1820 which Justice Holmes quoted apropos of the lack of revenue to this nation from the export of its intellectual property (citing *United Dictionary Co. v Merriam Co.*, 208 US 260, 264 (1908)).<sup>33</sup>

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USTR 2001 *Special 301 Report* (April, 2001) 8, 18 <<https://ustr.gov/sites/default/files/2001%20Special%20301%20Report.pdf>>.

USTR 2002 *Special 301 Report* (April, 2002) 7, 20 <<https://ustr.gov/sites/default/files/2002%20Special%20301%20Report.pdf>>.

USTR 2003 *Special 301 Report* (May 1, 2003) 7, 13 <<https://ustr.gov/sites/default/files/2003%20Special%20301%20Report.pdf>>.

USTR 2004 *Special 301 Report* (April, 2004) 8, 16 <<https://ustr.gov/sites/default/files/2004%20Special%20301%20Report.pdf>>.

USTR 2005 *Special 301 Report* (April, 2005) 12 <<https://ustr.gov/sites/default/files/2005%20Special%20301%20Report.pdf>>.

<sup>32</sup> By a delegate and an observer respectively: refer Ricketson (1987), pp. 72, 79.

<sup>33</sup> Nimmer (1992), pp. 211, 212, 213.



As Khan states:

The United States in the nineteenth century was a net debtor in flows of material culture, and engaged in protectionist policies that benefitted its residents at the expense of authors and artists in other countries, most notably in Europe. ...

The movement for international copyright gained impetus only towards the end of the century because of the growing importance of popular fiction written by American authors.<sup>34</sup>

Wilf points out that the failure to protect foreign works also reflected a conflict of ideals within the United States between opponents of international protection and its proponents:

In 1838, the Patent Commission issued a report against international copyright on the following grounds: (1) the effect on numerous workers and families who could not afford more expensive books; (2) the argument that cheap editions in the United States, where population was sparse, served the same function of dissemination as public libraries in the British Isles. In other words, *not* extending copyright to foreign authors furthered the fundamental purposes of copyright — one of which, as defined by the Patent Commission, was the dissemination of literary property as a means of promoting a democratic society.<sup>35</sup>

While the recognition of copyright in works of foreign nationals had some public and political support, the debate continued for some decades until the reform of US copyright law in 1891 known as the Chace Act.<sup>36</sup> The Chace Act extended the term of protection of works for up to 42 years and enabled the application of the Act to citizens or subjects of a foreign state on the basis of reciprocity.

SEC. 13. That this act shall only apply to a citizen or subject of a foreign state or nation when such foreign state or nation permits to citizens of the United States of America the benefit of copyright on substantially the same basis as its own citizens; or when such foreign state or nation is a party to an international agreement which provides for reciprocity in the granting of copyright, by the terms of which agreement the United States of America may, at its pleasure, become a party to such agreement. The existence of either of the conditions aforesaid shall be determined by the President of the United States by proclamation made from time to time as the purposes of this act may require.

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Harvey J Winter, then Director of the Office of Business Practices of the United States Department of State, also commented: 'The history of international copyright during the nineteenth century in the United States is not one of which we can be proud. The first United States copyright law, enacted in 1790 gave copyright protection only for those works of United States citizens and residents which were published in the United States. This situation generally endured for the next century. As a consequence, foreign works, especially those of British origin, were not protected in the United States and, thus, were widely pirated. During the last half of this century, and especially after the Civil War, numerous attempts were made to establish international copyright protection in the United States, but none were successful until the enactment of the Act of March 3, 1891'. Duboff et al. (1985), pp. 203–232, 210. See also Budd (1994), p. 172.

<sup>34</sup> Khan (2008), pp. 27, 50. Selected edition. Available from: <[http://socialsciences.scielo.org/scielo.php?script=sci\\_arttext&pid=S0124-59962008000100002&lng=en&nrm=iso](http://socialsciences.scielo.org/scielo.php?script=sci_arttext&pid=S0124-59962008000100002&lng=en&nrm=iso)>. ISSN 0124-5996.

<sup>35</sup> Wilf (2011), pp. 123–160, 135.

<sup>36</sup> United States. Fifty-First Congress. Sess II CH 565. 1891. Named for Senator Jonathan Chace, of Rhode Island, who introduced the bill into Congress.

Under the Chace Act, the United States adopted a bilateral approach in applying the Act to citizens of foreign states and on 1 July 1891 protection was extended by Presidential proclamation to works of citizens of 'Great Britain and the British possessions'.<sup>37</sup> The basis for this Proclamation appears to have been the UK Government's assurance, in reliance of an opinion of English Law Officers, that British copyright law fulfilled the conditions of the Chace Act. Specifically, a citizen of the United States could obtain British copyright by publishing a work in Britain while residing in the United States. This opinion was given on the basis of the views of Lord Cairns and Lord Westbury in the House of Lords decision of *Routledge v Low*.<sup>38</sup>

In the *Routledge* case the appellants and the respondent Low and Co were book-sellers and publishers in London. Another respondent was the New York author Maria Cummins who had composed a work called 'Haunted Hearts'. She sent her manuscript of the work to Low and Co and it was arranged between them that she should go to Montreal, in the British Province of Canada, and reside there for a short time before, at and after the time of publication in London. Copyright was assigned to Low in the work and the assignment registered at Stationers Hall, the assignment being described as Maria S Cummins, Montreal, Canada. Shortly after publication by Low in 2 volumes at 16s, Routledge published the work in one volume at 2s. Routledge denied Low could have 'copyright in a work written by an alien, between whose country and our own no law of international copyright subsists'. The House of Lords held that:

An alien friend who, during the time of his temporary residence in a British Colony, [first] publishes, in the *United Kingdom*, a book of which he is the author, is, under the 5 & 6 Vict. c. 45, [Copyright Act 1842] entitled to the benefit of English copyright.

Lord Cairns LC and Lord Westbury went further in the *Routledge* case and took the view that that an alien author who first published his work in the United Kingdom had protection under 5 & 6 Vict c 45 regardless where the author then resided. In the words of Lord Cairns:

My Lords, I come now to the third question, the most important one for the determination of the present case. To whom, as the composer or author of a work, is this protection given: to a native-born subject of the Crown, to an alien friend sojourning in the *United Kingdom*, to an alien friend sojourning in a colony, or to an alien friend resident wholly abroad?

My Lords, in my opinion the protection is given to every author who publishes in the *United Kingdom*, wheresoever that author may be resident, or of whatever state he may be the subject. The intention of the Act is to obtain a benefit for the people of this country by the publication to them of works of learning, of utility, of amusement. This benefit is obtained, in the opinion of the Legislature, by offering a certain amount of protection to the author, thereby inducing him to publish his work here. This is, or may be, a benefit to the author, but it is a benefit given, not for the sake of the author of the work, but for the sake of those

<sup>37</sup> As well as citizens of Belgium, France and Switzerland.

<sup>38</sup> *Routledge v Low* (1868) LR 3 HL 100. No Order in Council under the *International Copyright Acts 1844-1886* (UK) was made extending the protection given under that Act to works of United States citizens.

to whom the work is communicated. The aim of the Legislature is to increase the common stock of the literature of the country; and if that stock can be increased by the publication for the first time here of a new and valuable work composed by an alien, who never has been in the country, I see nothing in the wording of the Act which prevents, nothing in the policy of the Act which should prevent, and everything in the professed object of the Act, and in its wide and general provisions, which should entitle, such a person to the protection of the Act, in return and compensation for the addition he has made to the literature of the country.<sup>39</sup>

Lord Westbury expressed the view:

The preamble is, in my opinion, quite inconsistent with the conclusion that the protection given by the statute was intended to be confined to the works of British authors. On the contrary, it seems to contain an invitation to men of learning in every country to make the United Kingdom the place of first publication of their works; and an extended term of copyright throughout the whole of the British dominions is the reward of their so doing. So interpreted and applied the Act is auxiliary to the advancement of learning in this country. The real condition of obtaining its advantages is the first publication by the author of his work in the *United Kingdom*. Nothing renders necessary his bodily presence here at the time, and I find it impossible to discover any reason why it should be required, or what it can add to the merit of the first publication.<sup>40</sup>

Thus, subsequent to the Presidential proclamation of July 1, 1891, a British author wishing to obtain copyright in the United States must publish his work simultaneously in the United Kingdom and the United States and the US publication of the author's work must be printed in the United States. A US author wishing to obtain copyright protection in Britain must publish in Britain and the US simultaneously. Both US and British authors must comply with the respective registration and delivery of copy requirements under British and US law. Unpublished works of US and British authors received protection under the common law in both the US and the UK. US federal legislation did not affect common law protection in the various States of the US.

## 2.2 *Position in the Australian Colonies*

An Order in Council under the *International Copyright Acts 1844-1886* provided protection in both the UK and her 'British possessions'. The expression 'British possession' 'included any part of Her Majesty's dominions exclusive of the United

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<sup>39</sup> *Routledge v Low* (1868) LR 3 HL 100, 110-111.

<sup>40</sup> *Routledge v Low* (1868) LR 3 HL 100, 118. Lord Colonsay abstained from expressing an opinion beyond the necessary conclusion that residency within any portion of the British dominions enabled protection under the Act 'although I can easily see that there is very little benefit to be gained to British authors by refusing to extend the protection of copyright in the manner suggested, because nothing can be more shadowy than a distinction depending upon the circumstance of a few hours' or a few days' residence within some part of the widely-extended dominions of Her Majesty' (at 120). Lord Chelmsford and Lord Cranworth expressed doubts about whether the wider view of Lord Cairns was well founded.

Kingdom' and covered its self-governing colonies and dominions, such as the several colonies of Australia.<sup>41</sup> The protection of 'foreign' works under the *International Copyright Acts* was provided in the UK and throughout the British dominions but the right of copyright was that right existing under the law of the United Kingdom (as an Imperial Act with application to the dominions), and not a right under a colonial law. Works produced in the several colonies of Australia prior to 1886 did not receive copyright protection in the UK or other parts of the Empire unless they were first produced in the United Kingdom and fulfilled the deposit and other requirements of UK law. Under the *International Copyright Act 1844* colonial Australian authors were required to first publish and register their copyright in London. One significant colonial work 'For the Term of his Natural Life' by Marcus Clarke failed to receive copyright protection under this Act because it was first published in the colony of Victoria.<sup>42</sup> Section 8 of the *International Copyright Act 1886* (the last of the International Copyright Acts before the *Imperial Copyright Act 1911*)<sup>43</sup> provided that the Copyright Acts shall apply to a literary or artistic work first produced in a British possession in like manner as they apply to a work first produced in the United Kingdom subject to provisos dealing with the laws of the British possession on registration and deposit. By 1891 there were colonial Copyright Acts in New South Wales, South Australia, and Victoria.<sup>44</sup>

Despite the protection offered by the US Chace Act from 1891 to works first produced in the UK and its 'British possessions', including its Australian colonies, the presence of a manufacturing clause introduced under the Chace Act in fact 'made the extension of copyright protection to foreigners illusory'.<sup>45</sup> That manufacturing requirement was contained within s 3 of the Chace Act, which inserted an amended s 4956 in the Revised Statutes.

SEC. 4956. **No person shall be entitled to a copyright unless he shall**, on or before the day of publication in this or any foreign country, deliver at the office of the Librarian of Congress, or deposit in the mail within the United States, addressed to the Librarian of Congress, at Washington, District of Columbia, a printed copy of the title of the book, map, chart, dramatic or musical composition, engraving, cut, print, photograph, or chromo, or a description of the painting, drawing, statue, statuary, or a model or design for a work of the fine arts for which he desires a copyright, nor unless he shall also, not later than the day of the publication thereof in this or any foreign country, **deliver at the office of the Librarian of Congress**, at Washington, District of Columbia, or deposit in the mail within the United States, addressed to the Librarian of Congress, at Washington, District of Columbia, **two copies of such copyright book**, map, chart, dramatic or musical composition, engraving,

<sup>41</sup> Section 11 of the *International Copyright Act 1886*, 49 and 50 Vict c33 (UK) provided, 'The expression "British possession" includes any part of Her Majesty's dominions exclusive of the United Kingdom; and where parts of such dominions are under both a central and a local legislature, all parts under one central legislature are for the purposes of this definition deemed to be one British possession.'

<sup>42</sup> Finnamore (1881), p. 720; Lindgren et al. (2004). Refer further, Bond (2010), pp. 452–477.

<sup>43</sup> The Act was passed on 25 June 1886.

<sup>44</sup> *Copyright Act 1879* (NSW); *Copyright Act 1878* (SA); *Copyright Act 1869* and *Copyright Act 1890* (Vic). The colony of Western Australia followed with the *Copyright Act 1895*.

<sup>45</sup> Ringer (1968), pp. 1050, 1057. Barbara Ringer was US Register of Copyrights 1973–1980.

chromo, cut, print, or photograph, or in case of painting, drawing, statue, statuary, model, or design, for a work of the fine arts, a photograph of same: **Provided, That in the case of a book, photograph, chromo, or lithograph, the two copies of the same required to be delivered or deposited as above shall be printed from type set within the limits of the United States**, or from plates made therefrom, or from negatives, or drawings on stone made within the limits of the United States, or from transfers made therefrom. **During the existence of such copyright the importation into the United States of any book, chromo, lithograph or photograph, so copyrighted, or any edition or editions thereof, or any plates of the same not made from type set, negatives, or drawings on stone made within the limits of the United States, shall be, and it is hereby, prohibited**, except in the cases specified in paragraphs five hundred and twelve to five hundred and sixteen, inclusive, in section two of the act entitled "An act to reduce the revenue and equalize the duties on imports, and for other purposes," approved October first, eighteen hundred and ninety; and except in the case of persons purchasing for use and not for sale, who import subject to the duty thereon, not more than two copies of such book at any one time; and except in the case of newspapers and magazines, not containing in whole or in part matter copyrighted under the provisions of this act, unauthorised by the author, which are hereby exempted from prohibition of importation: *Provided, nevertheless*, That in the case of books in foreign languages, of which only translations in English are copyrighted, the prohibition of importation shall apply only to the translation of the same, and the importation of the books in the original language shall be permitted.<sup>46</sup> (emphasis added)

The Chace Act imposed the requirements of printing from type set within the United States and registration of copyright with the US Librarian of Congress as a condition of obtaining copyright protection. Those formalities, which continued under US law to 1986,<sup>47</sup> were inconsistent with the requirements of the Berne Convention, under which member countries undertook to provide national protection and the protection of works of authors of other member countries, without formalities.

In practice, the early Australian publishing industry was dominated by British publishers:

the book business was transplanted as an established business infrastructure and medium for transplanting British culture to Australia. Gradually it became an Australian enterprise albeit with ownership resting in the hands of the British.<sup>48</sup>

In the nineteenth century, Australia was a lucrative market in comparison with Canada and the United States. George Robertson and Company, a Melbourne wholesaler maintained a London office through which it distributed British books to cities in Australia and New Zealand. A number of British publishers such as Cassell

<sup>46</sup> United States. Fifty-First Congress. Sess II CH 565. 1891.

<sup>47</sup> The 1976 general revision of US copyright law provided for the first time an expiry date for the manufacturing clause by specifying it was to be applied 'prior to 1 July 1982'. On 13 July 1982, Congress passed a bill changing the date prior to which the manufacturing clause was to be applied from 1 July 1982 to 1 July 1986 (Public Law 97-215 of 13 July 1982). In 1984 the manufacturing clause was found to be inconsistent with Article XI of the General Agreement on Tariffs and Trade. GATT. THE UNITED STATES MANUFACTURING CLAUSE: *Report of the Panel adopted on 15/16 May 1984 (L/5609 - 31S/74)* 2, 12 <[https://www.wto.org/english/tratop\\_e/dispu\\_e/83copyrt.pdf](https://www.wto.org/english/tratop_e/dispu_e/83copyrt.pdf)>.

<sup>48</sup> Curtain (1992), p. 2.

and Macmillan set up offices in Australia after 1884 to compete directly with Robertson.

The combination of restrictive US law and the nature of British/Australian legal links produced a natural division of English language publishing practice into US and British markets. Publishing decisions made by British owned publishing houses had to take into account the economic viability of publishing a work separately in the United States.

### 2.3 *Position After the Establishment of the Australian Commonwealth*

After the federation of the Australian colonies, colonial laws and the *International Copyright Acts* continued in place until the enactment of the first Commonwealth law in pursuance of s 51 (xxxi) of the Australian Constitution. Section 62 of the *Copyright Act 1905* (Cth)<sup>49</sup> provided that the owner of copyright in any literary musical or dramatic work or artistic work entitled to protection in Australia by virtue of any Act of the Parliament of the United Kingdom or by virtue of any State Act shall on registration under the Commonwealth Act have the same protection as the owner of any copyright under the Commonwealth Act. This pre-federation position was effectively continued under this new Commonwealth copyright regime.

Following the diplomatic conference for the Berlin Revision of the Berne Convention in November 1908 and the 1910 Imperial Conference<sup>50</sup> which saw the need for copyright unity among the British dominions, a subsidiary Imperial copyright conference of 1910<sup>51</sup> was held which agreed on 12 resolutions. Resolution 1 recommended that the British Government ratify the Berlin Convention with as few reservations as possible. Resolution 2 recommended the British Government pass a new copyright law applicable to all British possessions and acknowledged the right of self-governing dominions to adopt the British legislation, pass identical legislation or decline to choose either of the first two options.<sup>52</sup> A draft Bill for the consolidation and amendment of the law of copyright embodying the above conclusions was submitted to the Conference, and generally approved, after discussion in detail. A uniform copyright regime was agreed and brought into force in Australia by the *Copyright Act 1912*. Section 8 of that Act provided that the Imperial (British)

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<sup>49</sup> Which came into force on 1 January 1907.

<sup>50</sup> Colonial conferences from 1887 and the successor Imperial Conferences after 1907 were regularly held for the colonies and dominions of the British Empire during this period and were predecessors of the present Commonwealth Heads of Government meetings.

<sup>51</sup> Which was endorsed by the dominions in the Imperial Conference of 1911.

<sup>52</sup> However, a dominion could only modify the provisions of the British legislation if the modifications applied to the jurisdiction of the dominion alone. If a dominion chose to ignore the British legislation it would possess no rights in other parts of the Empire except as conferred by Order in Council or by order of the Governor of a dominion in Council.

Copyright Act (the *Copyright Act 1911*) shall, subject to any modifications provided by the 1912 Act, be deemed to be in force in the Commonwealth as from 1 July 1912. The *Copyright Act 1912* saved copyright subsisting in the United Kingdom both at or after the commencement of the *Copyright Act 1905* and before 1 July 1912 so that works simultaneously published in the United States and the United Kingdom as well as works produced in Berne Convention countries continued to receive protection under Australian law.

However the power to extend copyright protection by Order in Council under the *Imperial Copyright Act 1911* to works first published in a foreign country (and works of citizens and residents of a foreign country) was not applied to self-governing dominions.<sup>53</sup> Section 30(2) of the *Copyright Act 1911* empowered the Governor in Council of any self-governing dominion to make similar orders.

## 2.4 *Bi-lateral Protection Between the US and Australia*

In 1918, the Australian Governor-General in Council issued an Order applying the *Imperial Copyright Act 1911* to works of citizens of the United States. The Order came into operation on 15 March 1918.<sup>54</sup> The Order recites that ‘the Governor-General is satisfied that the Government of the United States of America has undertaken to make such provision as it is expedient to make for the protection of works entitled to Copyright within the Commonwealth under the provisions of Part I of the *Imperial Copyright Act 1911*’. The Order thereafter provides:

(1) The *Imperial Copyright Act 1911*, including the provisions as to existing works, shall, subject to the provisions of the said Act and of this Order, apply as regards the Commonwealth of Australia, and the Territories and Papua and Norfolk Island -

(a) to literary, dramatic, musical, and artistic works the authors whereof were at the time of the making of the works citizens of the United States of America in like manner as if the authors were British subjects;

(b) in respect of residence in the United States of America in like manner as if such residence had been residence in the Commonwealth of Australia.

Provided that -

- (i) the term of copyright within the Commonwealth of Australia and territories of Papua and Norfolk Island shall not exceed that conferred by the law of the United States of America;
- (ii) the enjoyment of the rights conferred by this Order shall be subject to the accomplishment of the conditions and formalities prescribed by the law of the United States of America;
- (iii) in the application to existing works of the provisions of section 24 of the *Imperial Copyright Act 1911* the commencement of this Order shall be substituted for the 20th July, 1910 in sub-section 1 (b).

There is an error in paragraph (iii) of the Order in that section 24 (b) of the *Imperial Copyright Act 1911* which protects rights in existing works does so before

<sup>53</sup> Section 30(1) of the *Copyright Act 1911* (Imp).

<sup>54</sup> *Commonwealth of Australia Gazette*, No 41, 21 March 1918, 504.



‘the twenty-sixth day of July, Nineteen hundred and ten’ and not 20th July, 1910. The reason for the difference in date under the Order is not clear, because there is no explanation in the Minute Paper for the Executive Council, or legal advice attached to that Paper, which might have explained the discrepancy. It appears simply to have been an error in transcription.

Notwithstanding, the error in the Order should be read consistent with the intent behind the underlying purpose and context of 24(b) of the *Imperial Copyright Act 1911* to which the Order expressly refers.<sup>55</sup>

The effect of the Order thus is to preserve existing rights at the commencement of the Order (15 March 1918).

A Proclamation by the President of the United States extending protection to Australian works within the United States effective from March 15, 1918 was published in the Commonwealth Gazette on 27 June 1918. It recites paragraphs (a) and (b) and the provisos of the Australian Order in Council, and corrects the error in transcription and states:

Now, therefore I, Woodrow Wilson, President of the United States of America, do declare and proclaim that one of the alternative conditions specified in section 8 (b) of the Act of March 4, 1909, now exists and is fulfilled in respect to the citizens of Australia and the territories of Papua and Norfolk Island, and that such citizens shall be entitled to all the benefits of section 1 (e) of the said Act, including “copyright controlling the parts of instruments serving to reproduce mechanically the musical work” in the case of all musical compositions by composers of Australia and the territories of Papua and Norfolk Island **published and duly registered in the United States** on and after March 15, 1918, for copyright in the United States. (emphasis added)

The Proclamation was dated 3 April 1918.

One of the recitals to the Proclamation describes the legal authority under the Act of Congress of March 4, 1909 under which the Proclamation is made. Section 8 of that Act enabled the extension of the Act to citizens or subjects of a foreign state where the foreign state grants ‘the benefit of copyright’ to citizens of the United States on substantially the same basis as to its own citizens.

The existence of the reciprocal conditions aforesaid shall be determined by the President of the United States, by proclamation made from time to time as the purposes of this Act may require.

One curious aspect of the Presidential Proclamation to twenty-first century eyes is that a recital stated that ‘satisfactory official assurance’ had been received ‘from the Government of Great Britain’ that the Government of Australia has issued an Order in Council effective March 15, 1918 providing that the existing copyright law of that country and the territories of Papua and Norfolk Island shall, subject to the provisions of the said law and of the said Order, apply to citizens and residents of the United States of America ‘in like manner as if the authors were British subjects’.

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<sup>55</sup> See for example, *Crime Commn v Kelly* (2003) 58 NSWLR 71 at 79 and Pearce and Geddes (2011), pp. 50–51.



The reason that the assurance came from Britain reflects Australia's then status in international law. The Treaty of Versailles in 1919 (including the Covenant of the League of Nations) was the first 'political'<sup>56</sup> treaty negotiated and signed by Australian officials after Australia achieved self-governing dominion status.

The US Act of Congress of March 4, 1909<sup>57</sup> effected a general revision of US copyright law. It perpetuated the Chace Act's manufacturing clause in section 15 that required that all copies of foreign literary works should be printed from type set within the United States.

SEC. 15. That of the printed book or periodical specified in section five, subsections (a) and (b) of this Act, except the original text of a book of foreign origin in a language or languages other than English, the text of all copies accorded protection under this Act, except as below provided, **shall be printed from type set within the limits of the United States, either by hand or by the aid of any kind of typesetting machine, or from plates made within the limits of the United States from type set therein, or, if the text be produced by lithographic process, or photo-engraving process, then by a process wholly performed within the limits of the United States, and the printing of the text and binding of the said book shall be performed within the limits of the United States;** which requirements shall extend also to the illustrations within a book consisting of printed text and illustrations produced by lithographic process, or photo-engraving process, and also to separate lithographs or photo-engravings, except where in either case the subjects represented are located in a foreign country and illustrate a scientific work or reproduce a work of art: *Provided, however,* That said requirements shall not apply to works in raised characters for the use of the blind, or to books of foreign origin in a language or languages other than English, or to books published abroad in the English language seeking ad interim protection under this Act. (emphasis added).

Section 12 of the Act required the deposit of two complete copies of the best edition thereof then published, 'which copies, if the work be a book or periodical, shall have been produced in accordance with the manufacturing provisions specified in section fifteen of this Act'. In 1914 the deposit requirement for foreign authors was reduced to one complete copy.<sup>58</sup>

Notwithstanding the continuation of protection of United States works in Australia through the *Copyright Act 1912* the protection granted to works of Australian citizens in the United States was practically illusory. The US manufacturing requirement continued until 1986.<sup>59</sup> Works of Australian authors largely were published through British publishing arms and rights were exercised over traditional British markets. In practice, it was essentially a matter of negotiation between the British and US publisher as to whether the US rights in an Australian work would be taken up.

<sup>56</sup> That is, a treaty mainly concerned with relations between governments.

<sup>57</sup> Act of March 4, 1909, 35 Stat 1075.

<sup>58</sup> Act of March 28, 1914, 38 Stat 311.

<sup>59</sup> Refer above n 39.

## 2.5 *US–Australia Relations Under the Universal Copyright Convention*

UNESCO sponsored the development of the Universal Copyright Convention (UCC) in 1952 to enable countries that required formalities as a condition of obtaining copyright protection to join the wider international copyright community. This enabled the US, which required the deposit of published material manufactured in the US, to join a substantial multilateral copyright treaty, rather than rely on regional and bi-lateral arrangements.<sup>60</sup> It came into force in the US on 16 September 1955.<sup>61</sup>

Article III of the UCC stated<sup>62</sup>:

### *Article III*

1. Any Contracting State which, under its domestic law, requires as a condition of copyright, compliance with formalities such as deposit, registration, notice, notarial certificates, payment of fees or manufacture or publication in that Contracting State, shall regard these requirements as satisfied with respect to all works protected in accordance with this Convention and first published outside its territory and the author of which is not one of its nationals, if from the time of the first publication all the copies of the work published with the authority of the author or other copyright proprietor bear the symbol © accompanied by the name of the copyright proprietor and the year of first publication placed in such manner and location as to give reasonable notice of claim of copyright.

Although Australia signed the treaty on 6 September 1952 it did not ratify the treaty until 1 February 1969 or become a party to the UCC until 1 May 1969. That is the date on which the Australian *Copyright Act 1968* came into force, which repealed the *Copyright Act 1912*. The Australian Spicer Committee, which reported in 1959, recommended Australia accede to the Universal Copyright Convention.

The benefits to be derived from accession to the Universal Copyright Convention are obvious, particularly in that it enables Australian copyright owners to receive copyright protection in the United States for published works with a minimum of formality. At present published Australian works do not receive full protection in the United States unless they are manufactured in that country.<sup>63</sup>

The Universal Copyright Convention endorsement did not eliminate the need to register a work under US copyright law when contemplating legal proceedings in the United States, but it substantially reduced the earlier burden caused by the manufacturing clause.

<sup>60</sup> Prior to 1955 the United States determined its international copyright relations almost exclusively by bilateral treaties. It entered into a regional treaty—the Buenos Aires Convention of 1910 with 16 Latin and South American countries (non-English speaking countries).

<sup>61</sup> WIPO. *Universal Copyright Convention of 6 September 1952*, <[http://portal.unesco.org/en/ev.php-URL\\_ID=15381&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/en/ev.php-URL_ID=15381&URL_DO=DO_TOPIC&URL_SECTION=201.html)> or <[http://www.wipo.int/wipolex/en/other\\_treaties/details.jsp?treaty\\_id=208](http://www.wipo.int/wipolex/en/other_treaties/details.jsp?treaty_id=208)>. The UCC entered into force on 16 September 1955. The US ratified the Convention on 6 December 1954.

<sup>62</sup> This Article remained unchanged in the 1971 revision of the Universal Copyright Convention.

<sup>63</sup> Australia. *Report of the Copyright Law Review Committee* (1959), 16 (para 52).

The reason for the delay in Australia's ratification of the UCC can be partly explained by, and reflects, the lack of economic concern amongst Australian book publishers in US publishing rights and the predominantly British make-up of the Australian publishing industry.

### 3 US–Australia Copyright Practice

The division in copyright protection for published works between the US, which required the completion of formalities as a condition of ensuring protection upon publication, and Britain, Australia and other member countries of the Berne Convention in which protection was granted without formalities, had impacted upon US-British publishing practice. Members of the Publishers Association in Britain (including their offshoots in Australia) agreed only to accept publishing rights for the whole of the traditional British market, leaving US publication to separate negotiation. The traditional market included Australia, New Zealand, India, South Africa and a number of other former British possessions. The main effect of the agreement, in which US publishers acquiesced, was to carve up most of the English speaking world between British and US publishers, with the result that there was persistent criticism in Australia that access to early published cheaper editions (usually produced by US publishers) was denied or slowed. Other criticisms of the practice of British publishers were that it sometimes resulted in works being completely unavailable in Australia for some time after the publication of the US edition and that it handicapped Australian publishers in their efforts to obtain Australian publication rights to overseas works. The practice putatively came to a halt after US court action against US publishers under the Sherman Act in the United States.<sup>64</sup> Despite this legal action, complaints about access to works and to cheaper (generally US) editions of works continued.

Underlying the practice of the British publishers in what is often described as the British Publishers (Traditional Rights) Marketing Agreement and the ongoing difficulties of obtaining timely and cheaper access to works, is the principle of the national treatment of copyright which characterises the requirements of both major international copyright conventions and which is reflected in s 37 of the *Copyright Act 1968* (Cth). This provision enables the copyright owner (or exclusive licensee) in Australia to restrain the importation by others of legitimate copyright works that were published or supplied in another country. This provision was the subject of a number of inquiries by Australian Government bodies and the Australian Parliament from 1983, which examined whether or not Australian copyright owners should have the power to block parallel imports. Two inquiries—one by the Copyright Law

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<sup>64</sup> *United States v Addison-Wesley Publishing Co* CCH 1976-2 Trade Cases 70,640; [1976] 2 Trade Cas. 61,225 (S.D.N.Y. 1976) (consent judgment). The United States, acting through the Department of Justice, obtained a consent decree that prohibited a number of US publishing firms from engaging in market allocation with British publishers.

Review Committee on printed works and the other by the Prices Surveillance Authority into book prices—led to the 1991 amendments to the *Copyright Act* which softened the importation barrier for legitimately produced works published overseas.

The 1991 amendments inserted s 44A in the *Copyright Act* which only enables limited parallel importation of books. Under the section an individual can import into Australia a non-infringing single copy of a book on the specific order of that individual, without infringement of the Australian copyright in the book. Non-infringing copies for commercial use could only be imported where the local Australian order was not able to be filled within 90 days by the Australian copyright owner, licensee or agent.<sup>65</sup> This provision was one reason Australia was placed on the Priority Watch List by the USTR in 1991-2. While it was a measure to meet Australian consumer demand, the US motivation behind its Priority Watch List action may rest in a desire to protect US publishing interests based in Australia and to see no dilution in the principle of national treatment.<sup>66</sup>

Despite these developments, in 1995 the Australian Book Publishers Association reported that ‘many American publishers and authors agents still sell British and Commonwealth rights to a UK based publisher. Australian publishers are buying some titles for the ANZ market but this is still the exception rather than the rule’.<sup>67</sup>

In 2002 the nature of book publishing in Australia was described as being:

...characterised by a few large firms dominating the market, with the majority being multi-national companies, and many small publishers ((84% or 219 firms with less than 20 employees) that earned just over 13% of total sales of all books). In 1997-8 (the latest year for which general (ABS) statistics are available) the publishing industry had a turnover of \$1.24 billion of which \$1035.6 m was generated through the sales of books. Some \$412.1m of the \$1035.6m in total book sales was from imported books with 60% of the value of books sold (\$623.5m) being Australian titles (whether or not the author was Australian). (Figures for annual sales of books written by Australian authors are not available.) The top twenty publishers each had an annual turnover in excess of \$43m and together accounted for more than 70% of sales.<sup>68</sup>

<sup>65</sup> Importation of 2 or more copies of a non-infringing book was also permitted by libraries for non-commercial use (s 44(4)).

<sup>66</sup> ‘The 1991 amendments appear to have improved the speed with which new best seller titles are made available in Australia and broadened the possible range of books that may be parallel imported. But they have not resulted in a removal of higher prices being charged in Australia for high-demand titles’: Explanatory Memorandum, Copyright Amendment (Parallel Importation) Bill 2002 (Cth) Problem Identification para 1.2. <<https://www.comlaw.gov.au/Details/C2004B01244/Explanatory%20Memorandum/Text>>.

<sup>67</sup> Australian Book Publishers Association Ltd., 1995 *Submission to the Prices Surveillance Authority Inquiry into the Book Importation Provisions of the Copyright Act* (1995). Similar subsequent amendments to s 44A were made to the *Copyright Act* in 1998 to enable limited parallel importation of other copyright material—sound recordings and non-infringing accessories.

<sup>68</sup> Explanatory Memorandum, Copyright Amendment (Parallel Importation) Bill 2002 (Cth) para Problem Identification para 1.1 <<https://www.comlaw.gov.au/Details/C2004B01244/Explanatory%20Memorandum/Text>>.

Following a number of inquiries,<sup>69</sup> the parallel importation provisions were augmented in 2003<sup>70</sup> to enable the legal parallel importation and subsequent commercial distribution of non-infringing computer software products, (including interactive computer games), books, periodical publications (such as journals and magazines) and sheet music in electronic form.

The Explanatory Memorandum for the Bill explains the basis of the change:

Studies over the last decade, in relation to books, sound recordings and computer software, have demonstrated that this power to control the distribution of imported copyright subject matter has enabled copyright owners to exercise market control. It has resulted, over time, in higher prices being charged to Australian consumers. The studies also show some inefficiencies resulting from this legal environment as it impedes competition or the threat of competition.

...  
The importation provisions in the Copyright Act allow owners of Australian copyright in a software program to prevent legitimate copies of that program from being imported except through distribution channels approved by the local copyright owner. The Australian software market is dominated by a small number of large multinational firms. These provisions effectively allow these firms to charge higher prices for their products in the Australian market than in other major markets and possibly to restrict the range of goods entering the Australian market. Evidence suggests these differentials, at least in part, reflect international price discrimination rather than underlying differences in industry cost structures or exchange rate effects.<sup>71</sup>

The Explanatory Memorandum noted:

The US Government has consistently argued against the lifting of parallel importation restrictions by Australia, suggesting that changes could breach international obligations. Advice from the Attorney-General's Department and the Department of Foreign Affairs and Trade is that the proposed changes are consistent with Australia's international obligations, in particular those pertaining to intellectual property under TRIPS. Further, there has been no challenge to any country that has lifted parallel importation restrictions.<sup>72</sup>

The Australian Parliament's passage of the parallel importation amendments in 2003 did not result in Australia being again placed on a Watch List in the Special 301 Reports.

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<sup>69</sup> Copyright Law Review Committee 1988 (1988); Copyright Law Review Committee (1995); Commonwealth of Australia: Department of Industry, Science and Tourism - Information Industries and Online Taskforce 1998 (1998); Industry Commission 1995, Report No 46, *Computer Hardware, Software and Related Service Industries*, (AGPS, Canberra); Prices Surveillance Authority 1991, *Inquiry into Cinema Admission Prices*, PSA Report No 38, Commonwealth of Australia; Prices Surveillance Authority 1992, *Inquiry into Prices of Computer Software - Final Report*, PSA Report No 46, Commonwealth of Australia; J Revesz (1999).

<sup>70</sup> *Copyright Amendment (Parallel Importation) Act 2003* (refer ss 44C, 44E, 44F of the *Copyright Act 1968*).

<sup>71</sup> Explanatory Memorandum, Copyright Amendment (Parallel Importation) Bill 2002, (Cth) para General Outline, Problem Identification para 1.1 <<https://www.comlaw.gov.au/Details/C2004B01244/Explanatory%20Memorandum/Text>>.

<sup>72</sup> Explanatory Memorandum, Copyright Amendment (Parallel Importation) Bill 2002, (Cth) para para 5.2 <<https://www.comlaw.gov.au/Details/C2004B01244/Explanatory%20Memorandum/Text>>.

Most recently there has been a considerable rationalisation of international publishing amidst technological change in the industry which has affected Australian publishing. The Australian publishing house Angus and Robertson is now a part of the international publishing house HarperCollins Australia, whose origins lie in Harper and Row (founded in New York in 1817), William Collins (founded in Glasgow in 1819) and Angus and Robertson (founded in Sydney in 1888). Harper and Collins also own publishing houses HarperCollins US and HarperCollins UK. The Australia Publishers Association<sup>73</sup> includes over 200 members covering book, journal and electronic publishers. The Board of Directors of the Association still substantially represents international publishing houses—HarperCollins, Allen and Unwin, Cambridge University Press, Taylor and Francis and Oxford University Press.<sup>74</sup> Access to US copyright works to Australian consumers has improved through the development of large online book stores such as Amazon and the Book Depository who ship titles world-wide within days, the growth of e-books<sup>75</sup> and e-book readers and the capacity of individuals to import legitimately produced works overseas under s 44A and s 44F of the Copyright Act 1968.

## 4 Conclusion

The national interests of the United States when it was a net importer of copyright material led it to protect its own publishing industry and the livelihoods of those involved in it against the interests of right holders in foreign produced copyright material. When the United States became a net exporter of copyright material its interests in foreign exploitation heightened and it joined the UCC and finally the Berne Convention to maximise the extent of protection of its nationals in foreign countries. It then placed copyright and other intellectual property protection into the mainstream of its trade treaties and enforcement of those treaties.

Australia has since its beginnings been a net importer of copyright material but it has consistently observed high levels of protection as a consequence of its British colonial and empire origins and of meeting the national interests of the UK. Since the foundations of the Berne Convention for the Protection of Literary and Artistic Works Australia has never been a ‘freerider’. The United States of America is the most productive country in the world in terms of its copyright protected media and the IT sector alone constitutes with its aerospace sector two of the top five largest US export income earners.<sup>76</sup> When the United States examines the practices of other countries’

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<sup>73</sup> The Australian Book Publishers Association changed its name in 1996 to the Australia Publishers Association to embrace the growing digital culture.

<sup>74</sup> Australian Publishers Association Board of Directors (2015 & 2018) <<http://www.publishers.asn.au/about-us/our-association/australian-publishers-association-board>>.

<sup>75</sup> Refer for example the case of Isobelle Carmody’s e-book ‘Greylands’—Australia. Book Industry Collaborative Council. *Final Report 2013*, 18.

<sup>76</sup> World’s Richest Countries, <[http://www.worldsrichestcountries.com/top\\_us\\_exports.html](http://www.worldsrichestcountries.com/top_us_exports.html)>.

adherence and observance of copyright protection to enhance its Administration's ability to negotiate improvements in foreign intellectual property regimes through bilateral and/or multilateral initiatives, it does not do so with clean hands. It has moved from freeriding to hegemony on IP within the last century.

The "Special 301" provisions of the Trade Act of 1974, as amended, require USTR to identify foreign countries that deny adequate and effective protection of intellectual property rights or fair and equitable market access for U.S. persons that rely on intellectual property protection. Special 301 was amended in the Uruguay Round Agreements Act to clarify that a country can be found to deny adequate and effective intellectual property protection even if it is in compliance with its obligations under the TRIPS Agreement. It was also amended to direct USTR to take into account a country's prior status under "Special 301," the history of U.S. efforts to achieve stronger intellectual property protection, and the country's response to such efforts.<sup>77</sup>

As Khan states:

The United States today evinces great concern about the consequences for corporate profits of both domestic and international "piracy." However, Congress in the nineteenth century repeatedly rejected proposals for reform of copyright laws because the emphasis in that era was on fulfilling the objectives of the Constitution in promoting the progress of social welfare. In a democratic society this was interpreted as a mandate for ensuring that the public had ready access to literature, information, education and other conduits for achieving equality of opportunity.<sup>78</sup>

The 'history of US efforts to achieve stronger intellectual property protection' should also take into account its own prior status outside of 'Special 301'.

Despite the fact that Australia has adopted high levels of copyright protection, it does not follow that Australia's development of future solutions should blindly or forceably follow the balance which the US demands in pursuit of its own economic interests. Australia's own national interests are important in determining the extent and nature of protection. Australia's position as a net importer of copyright material is unlikely to change in the near or mid future and that should more strongly influence the future law and practice of copyright in Australia. In particular, Australia should reject any claims of protection under its national copyright law of any works which are in the public domain in their country of origin. Nevertheless, Australia's interests go well beyond economic ones. When the US placed Australia on its Priority Watch List in 1991 for limiting US audio visual exports because *inter alia* Australia required dramatic programming to meet 'Australian look' standards, so 'discouraging foreign television programs', it placed its own economic interests over Australian social and cultural interests.

Australia should pursue an outlook in law and in practice consistent with its treaty obligations which satisfactorily encourages creativity and innovation and the development of its own culture and way of life. The appropriate balance between copyright practice and copyright law and the rights of copyright owners and users

<sup>77</sup> Office of the United States Trade Representative, Executive Office of the President, 2004 *Special 301 Report* 10 <[http://www.keionline.org/sites/default/files/ustr\\_special301\\_2004.pdf](http://www.keionline.org/sites/default/files/ustr_special301_2004.pdf)>.

<sup>78</sup> Khan (2008), p. 50. Selected edition. Available from: <[http://socialsciences.scielo.org/scielo.php?script=sci\\_arttext&pid=S0124-59962008000100002&lng=en&nrm=iso](http://socialsciences.scielo.org/scielo.php?script=sci_arttext&pid=S0124-59962008000100002&lng=en&nrm=iso)>. ISSN 0124-5996.



of copyright material should in this way seek to advance Australia's wider social, and not merely its economic, well-being. Put simply, it should encourage in Australia what has been described by some philosophers and psychologists as 'human flourishing'.<sup>79</sup> This outlook should permeate Australia's negotiation of future treaty obligations on a multilateral or bilateral basis.

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<sup>79</sup> Sometimes referred to as eudaemonia by which I mean values which emphasize informed human sociability, creativity and wellbeing. Flourishing is sometimes characterized by four main components: goodness, generative, growth, and resilience. Refer, for example, Fredrickson and Losada (2005), pp. 678–686.



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# The Adoption of the American Model of Fair Use in the UAE Copyright Law



Rami Olwan

## 1 Introduction

The fair use doctrine in the *United States Copyright Act of 1976*, as amended in 1998 (*US Copyright Act*)<sup>1</sup> is arguably one of the most fascinating doctrines and is the envy of many legislators around the world. Copyright scholars and commentators have suggested the adoption of the American fair use system in developing countries to keep pace with digital and technological developments and suit social and cultural needs.<sup>2</sup>

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<sup>1</sup> Section 107 of the US Copyright ACT of 1976, as amended provides that:

Notwithstanding the provisions of sections 106 and 106A, the fair use of copyright work including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for, or value of, the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Sec. 107, US Copyright ACT of 1976 <<http://www.copyright.gov/title17/>>.

<sup>2</sup> Rogers (2007), pp. 11, 50, 60. See also Aufderheide and Jaszi (2011), p. 26; Hugenholtz (2013), pp. 26–28; Hugenholtz and Senfteben (2011).

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This chapter studies the merit and demerits of this proposal from the perspective of UAE that follows the continental European system of author's rights. It is divided into eight parts. Section 2 provides an overview of limitations and exceptions and discusses their importance for an affective copyright regime. Section 3 examines the American fair use system by tracing its history and the judicial developments that shaped its development since it was introduced in the *US Copyright Act of 1976*. Then in Sect. 4, the American law is compared to the copyright laws of other countries that adopt "fair dealing" particularly the UK and the system of *droit d'auteur* or author's rights available in France. This comparison is necessary because the UAE adopts the French style of exceptions and it is important to consider the French system in comparison with other system such as the UK. Section 5 reviews limitations and exceptions to author's rights under art. 22 of the UAE Federal Copyright Law No. 7 of 2002 (UAE Copyright Law), as amended, and Sect. 6 of the chapter reviews the arguments for and against the adoption of fair use system outside the US jurisdiction in the UAE. Section 7 also discusses the various options available to the UAE legislator in terms of reforming its limitations and exceptions to copyright law. Finally, the chapter suggests the adoption of a flexible system of limitations and exceptions in the UAE and reviewing the UAE copyright law to be more responsive to the technological developments.

## 2 The Importance of Copyright and Limitations and Exceptions

Copyright law has emerged as one of the most forceful means of regulating the flow of ideas and knowledge-based products in the twenty-first century. The subject of copyright is important not only for authors and lawyers, but also to consumers and the public at large interested in culture production. Copyright serves two main conflicting interests; rewarding creators and allowing the widest dissemination of knowledge to the society.

Limitations and exceptions serve the basic goal of copyright law and that is to put copyrighted works to their most beneficial use by enabling new generations of authors to build on earlier works to create new and novel ones.<sup>3</sup> These are extremely important for an affective and responsive copyright system that promotes creativity and free expression.<sup>4</sup> They protect the right to privacy, safeguard free competition,<sup>5</sup> administer justice and also serve many other objectives.<sup>6</sup> There are three models of exceptions that countries have adopted and these are as follows:

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<sup>3</sup> Goldstein and Hugenholtz (2013), p. 372.

<sup>4</sup> See Merges et al. (2006), pp. 506–507.

<sup>5</sup> Guibault (2002), p. 28.

<sup>6</sup> See Mckenough et al. (2004), p. 245; Senftleben (2004), p. 24.

- (1) American fair use model, an open ended list of permissible uses determined in Section 107 of the *US Copyright Act of 1975*, as amended;
- (2) An enumerated model with a specific list, as in the copyright laws of European countries such as France, Germany, UK and its derived commonwealth legislations such as Canada and Australia. This model is also adopted in developing countries that follow author's right system, and base its legislations on civil law; and
- (3) Combination of American and European models and these are applicable in few countries such as South Korean<sup>7</sup> and the Philippines<sup>8</sup> that have updated their copyright laws to resemble the American fair use system, but also at the same time amended it to fit their own system.

We will examine below the American fair use system and other models of limitations and exceptions in separate sections.

### 3 The American Fair Use

We will examine the meaning of fair use and its historical development in this section. Fair use is a legal term used to determine whether a use of copyrighted work is lawful or infringes copyright. It is an exemption that applies to all of a copyright owner's right to control the adaption, distribution and performance of the work.<sup>9</sup>

The historical roots of the fair use doctrine in the US can be traced back to the nineteenth century to the case of *Folsom v. March* that was related to George Washington's private letters.<sup>10</sup> Justice Story proceeding over the case gave the following remarks:

In short, we must often, in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials uses, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work.

Common law judges developed the fair use doctrine to "permits courts to avoid a rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster."<sup>11</sup> The US Congress sought to bring some clarity to this judicial doctrine when it accorded for the first time express

<sup>7</sup> See art. 35-3 (Fair Use of Copyrighted Material) of the South Korean Copyright Act No. 432 of 1957 as amended. Available via WIPO <<http://www.wipo.int/wipolex/en/details.jsp?id=2743>>.

<sup>8</sup> See art. 184.1 (chapter VIII—Limitations and exceptions) of the Intellectual Property Code of the Philippines, See Intellectual Property Code of the Philippines No. 8293 of 1997, as amended <[http://www.wipo.int/wipolex/en/text.jsp?file\\_id=129343](http://www.wipo.int/wipolex/en/text.jsp?file_id=129343)>.

<sup>9</sup> Aufderheide and Jaszi (2011), p. 18.

<sup>10</sup> See 9 F. Cas. 342 (C.C.D. Mass 1841) p. 348. See also McCarthy et al. (2004), p. 228.

<sup>11</sup> Nimmer and Nimmer (2009), p. 154. See also Patry (2011), p. 212.

statutory recognition<sup>12</sup> in the comprehensive codification of sec. 107 of the *US Copyright Act of 1976*. The purpose of such codification according to the US legislator was to “restate the present judicial doctrine of fair use, not to change, narrow or enlarge it in any way.”<sup>13</sup> Sec. 107 does not define the meaning of fair use and its four factors (the purpose and character of use, the nature of copyrighted work, the amount and substantiality of the portion taken and the effect of the use upon the potential market), are merely outlined by way of example and are not exclusively enumerated. In addition, sec. 107 gives no guidance as to the relative weight to be ascribed to each of the listed factors. Finally, each of these factors taken alone is defined<sup>14</sup> in almost general terms, so the courts are left with almost complete discretion in determining whether any given factor is present in any particular case.<sup>15</sup> Numerous American cases have defined, elaborated, and applied fair use, although such efforts have failed to bring predictable results.<sup>16</sup> There were several proposals in the US to amend sec. 107 of the *US Copyright Act*, but were never implemented in the Act. One proposal was submitted by Professor Jenifer M. Urban from California University who suggested adding limited (and nonexclusive) set of additional uses to the preamble in sec. 107 in order “to give copyright holders and follow-on users alike a better framework for predicting which uses are fair.”<sup>17</sup>

## 4 The European Enumerated System

As compared to the American system, the UK and the French systems are narrow and closed called “fair dealing” or “exceptions to author’s rights” that are specifically purposed for research or private study, criticism, review and news reporting. We will consider how the UK and French law treat limitations and exceptions under their national laws.

### 4.1 Fair Dealing in the UK and Common Law Countries

Free use of copyright material is called ‘fair dealing’ in the UK and its derived commonwealth legislations. The *Copyright, Designs and Patents Act of 1988* (CDPA), as amended, deals with exceptions to copyright in Chapter III entitled

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<sup>12</sup> Ibid, 155.

<sup>13</sup> McCarthy et al. (2004), p. 228.

<sup>14</sup> Nimmer and Nimmer (2009), p. 159.

<sup>15</sup> Ibid, p. 160.

<sup>16</sup> See *Campell v. Acuff-Rose Music, Inc.* 510 US 569 (1994); *Time, Inc. vs Bernard Geis* 293 F. Supp. 130 (S.D.N.Y. 1968); *Sony Corp v. Universal City Studio, Inc.* 464 US 417 (1984); and *Harper & Row Publishers. Inc. v Nation Enters* 471 US 539 (1985).

<sup>17</sup> For further information, see Urban (2010). Accessed 1st Oct 2016.

“Acts Permitted in Relation to Copyright Works”. Secs. 29–30 of the CDPA outlines a number of limited set of permitted exceptions to author’s exclusive rights that does not infringe copyright such as research (S29(1)) or private study (S29 1(C)), 2); criticism or review (S30 (1)); and 3) reporting of current events (S30 (2)).<sup>18</sup>

As compared to the American fair use, the doctrine of fair dealing has originated from the English judge-made doctrine of “fair abridgement” that was codified in the *Copyright Act of 1911* (also known as the *Imperial Copyright Act of 1911*),<sup>19</sup> as amended. To claim fair dealing under British law, a defendant must prove three elements: (1) the dealing must fall into an enumerated category; (2) the dealing must be fair in accordance with common-law criteria; and (3) there must be sufficient acknowledgement of the original work in cases of criticism, review and reporting current events.<sup>20</sup>

There is no statutory definition of fair dealing as it will always be a matter of fact, degree and impression in each case.<sup>21</sup> The UK courts have developed a number of guidelines to clarify this important doctrine.<sup>22</sup> Among the factors that have been identified by UK, courts to determine whether a particular dealing is fair include the effect of the use of the work on the market; the amount of work taken and to what extent it was necessary.<sup>23</sup>

There is no statutory definition of fair dealing as it will always be a matter of fact, degree and impression in each case.<sup>24</sup> The UK courts have also examined the application of fair dealing in many other important cases.<sup>25</sup>

The UK fair dealing exceptions were criticised for being too narrow stunting new creators from producing work and generating new value. This is because the English exceptions are limited and specifically determined in the UK copyright Act that does not give enough flexibility in devising additional new exceptions to accommodate social and technological changes. The UK Whiteford Committee studied the suggestion to adopt a fair use exception into the CDPA, and concluded that this was unnecessary and rejected the proposal altogether.<sup>26</sup> The former British Prime Minister David Cameron also initiated in 2010 a review of UK law suggesting the adoption of

<sup>18</sup> See *Copyright, Design and Patent Act 1988* (CDPA), Chapter III—Act Permitted in Relation to Copyright, (C.48) <<http://www.legislation.gov.uk/ukpga/1988/48/part/I/chapter/III>>.

<sup>19</sup> See *UK Copyright ACT of 1911* (CA) <<http://www.legislation.gov.uk/ukpga/Geo5/1-2/46/contents>>.

<sup>20</sup> See *Copyright, Design and Patent Act 1988* (CDPA), Chapter III—Act Permitted in Relation to Copyright, (C.48) <<http://www.legislation.gov.uk/ukpga/1988/48/part/I/chapter/III>>.

<sup>21</sup> UK Intellectual Property Office, UK Exceptions to Copyright. Available via UK Intellectual Property Office (UK IP office) <<https://www.gov.uk/guidance/exceptions-to-copyright>>. Accessed 1st Oct 2016.

<sup>22</sup> See *Pro Seiben Media AG v. Carlton UK Television Ltd* [1998] All ER (D) 751, and *Ashdown v. Telegraphy Group Ltd* [2001] 4 All ER 666.

<sup>23</sup> UK IP office, above n 19.

<sup>24</sup> Ibid.

<sup>25</sup> See for further explanation, Davis (2008), p. 56; Cornish et al. (2008), pp. 500–509; Colston and Galloway (2010), pp. 407–415.

<sup>26</sup> Gowers (2006). Accessed 1st Oct 2016.

American fair use to spur innovation and creativity. In May 2011, Professor Ian Hargraves prepared an independent report for that purpose entitled “Digital Opportunity: A Review of Intellectual Property and Growth”. The report suggested introducing new exceptions in British law including: format-shifting, non-commercial search and library archiving,<sup>27</sup> and also making exceptions mandatory, but did not recommend the adoption of a US-style fair use system.<sup>28</sup> The law in the UK is similar to other commonwealth countries such as Canada<sup>29</sup> and Australia.<sup>30</sup>

## 4.2 *Exceptions to Author’s Rights in France*

The copyright law of France has limited and predetermined specific exceptions that must be followed and does not give judges the kind of flexibility compared to that available under the American fair use system. The *Intellectual Property Code of 1992* (IPC), as amended,<sup>31</sup> contains a closed set of exceptions to the exclusive rights of copyright owners in the case of published works for private copies as long as the source and author’s name are clearly stated, for press reviews, analyses and short quotations for critical, education and polemic or scientific purpose.<sup>32</sup> The French legislation also provides exceptions in relation to computer programs. Article L.122-6-1 of the Intellectual Property Code (IPC) permits the ordinary use of software by the person entitled to use it for error correction, back-up copying, observation, study, and testing of the functioning of a program in order to determine the underlying ideas and principles for the purpose of interoperability (subject to a number of conditions).<sup>33</sup>

<sup>27</sup>The UK *Copyright, Designs and Patents Act 1988* has been amended in 2014 to include new exceptions for research, education, libraries, museums and archives, disabled people and public administration. See UK law <<http://www.legislation.gov.uk/ukpga/1988/48/contents>>. See also UK Intellectual Property Office. Available via UK IP office <<https://www.gov.uk/government/publications/copyright-acts-and-related-laws>>. Accessed 1st Oct 2016.

<sup>28</sup>See Hargreaves (2011), pp. 46–51. Available via UK Government <[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32563/ipreview-finalreport.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32563/ipreview-finalreport.pdf)>. Accessed 1st Oct 2016.

<sup>29</sup>Sec. 29 of the Canadian Copyright Act of 1994 and the Copyright Modernization Act (CMA) (Bill C-11) <<http://laws.justice.gc.ca/eng/acts/C-42/>>.

<sup>30</sup>See Australian Copyright Act of 1968 (ACA), as amended, Part III—Copyright in Original Literary, Dramatic, Musical and Artistic Works, Division 3 Act Not Constituting Infringements of Copyright in Works. Available via Australasian Legal Information Institute <[http://www.austlii.edu.au/au/legis/cth/consol\\_act/ca1968133/](http://www.austlii.edu.au/au/legis/cth/consol_act/ca1968133/)>.

<sup>31</sup>For a historical account of the French law, see also Stewart (1999), pp. 347–373. See also Goldstein and Hugenholtz (2013), pp. 19–20.

<sup>32</sup>Art. L.122-5 of the French *Intellectual Property Code* (IPC). See also art. L.211-3 and art. L.214-1 of IPC in relation to the exceptions for neighboring rights. Available via WIPO <<http://www.wipo.int/wipolex/en/details.jsp?id=5563>>.

<sup>33</sup>See also art. L.122-6-1 of the French *Intellectual Property Code* (IPC) that was amended by *Act No. 94-361 of 10 May 1994*, Official Journal of 11 May 1994. <<http://www.wipo.int/wipolex/en/details.jsp?id=5563>>.



In December 2009, a French court decided a case involving a copyright infringement suit filed by several French publishers and authors against Google. The French Court addressed whether Google was liable for making infringing reproduction available without authorization. The court found that article L.122-5 of French law related to “brief quotation” is not applicable and Google had infringed the French *Intellectual Property Code* (IPC)<sup>34</sup> by reproducing in full and making accessible extracts from the works of the plaintiff without their authorization.<sup>35</sup>

This decision shows the advantage of having a predictable system that judges in *droit du auteur* system (author’s rights system) can apply each time they are looking into a copyright infringement case, but this might not be helpful in relation to new technological developments. This is because judges are not allowed to expand the list of permissible uses and it is difficult for the law to change rapidly to deal with unforeseen and novel circumstances.

We will examine next the position of the UAE in relation to exceptions to author’s rights. Although the UAE copyright law has a long list of exceptions, but this list is limited and is not suited for technological developments as will be discussed.

## 5 The UAE Federal Copyright Law No. 7 of 2002

The existing exceptions to author’s rights available in the UAE copyright law originated from the continental European system specifically the French law that offers a specific list of permissible copyright uses. Similar to the French *Intellectual Property Code* (IPC),<sup>36</sup> the UAE law permits various uses of copyright materials for no cost and without taking the permission of copyright owners in specific determined purposes.<sup>37</sup> The UAE exceptions are based on the *Berne Convention for the Protection of Literary and Artistic Works* (Berne Convention)<sup>38</sup> that the UAE has joined on 14 April 2004 and came into effect on 14 June 2004.<sup>39</sup>

<sup>34</sup> French *Intellectual Property Code* (IPC), art. L121-1.

<sup>35</sup> Tribunal de grande instance [TGI] [ordinary court of original jurisdiction] Paris, 3e ch., 18 Dec. 2009, 09/00540 <<http://www.juriscom.net/documents/tgiparis20091218.pdf>>. See also Song (2011), pp. 453, 478; Ginsburg (2010), p. 49.

<sup>36</sup> Compare art. 22 of the UAE Copyright Law with art. L.122-5 of the IPC. UAE *Federal Law No. 7 of 2002*. Available via WIPO <[http://www.wipo.int/wipolex/en/text.jsp?file\\_id=124612](http://www.wipo.int/wipolex/en/text.jsp?file_id=124612)>.

<sup>37</sup> See art. 22 of the UAE *Federal Law No. 7 of 2002*. Available via WIPO <[http://www.wipo.int/wipolex/en/text.jsp?file\\_id=124612](http://www.wipo.int/wipolex/en/text.jsp?file_id=124612)>.

<sup>38</sup> These include quotation (art. 9(2)); illustration for teaching (art. 10 (2)); certain uses of works in certain events (art. 10 bis (1)); and incidental uses of works when reporting on current events (art. 10 bis (2)). The *Berne Convention for the Protection of Literary and Artistic Works* (Berne Convention). See the *Berne Convention* <<http://www.wipo.int/wipolex/en/details.jsp?id=12214>>.

<sup>39</sup> See arts. 9 and 10 of the *Berne Convention*. Available via WIPO <<http://www.wipo.int/wipolex/en/details.jsp?id=12214>>.

Article 22 of the UAE Copyright Law lists 8 exceptions and these include: reproduction for private purposes (22/1), making a software (and database) back-up copy (22/2), reproduction of works for judicial proceedings (22/3), reproduction of libraries and documentation centers (22/4), reproduction in the form of quotation for criticism and review (22/5), performance of work in family gatherings (22/6), presenting fine arts, applied and plastic arts works or architectural works in broadcasting programs located in public places (22/7), and reproduction of written, sound or audio-visual short excerpts for cultural, religious, educational or vocational purposes (22/8). Article 22 requires courts to exercise discretion when determining whether a particular use falls within the specific list of exceptions to author's rights, but there are few court decisions that deal with the matter in practice.<sup>40</sup>

One feature that emerges when looking at the current copyright exceptions in art. 22 of the UAE copyright law is that they are technology-specific and can easily be outdated.<sup>41</sup> They are also inflexible since they leave no space for new technological development and unforeseen uses and practices.<sup>42</sup> We will discuss below the exceptions relevant to the digital age.

It is permitted under art.22/1 of the UAE Copyright Law to make a reproduction for personal use of any published work for a non-commercial purpose and non-professional use. The application of this specific exception is unclear in the digital environment because it is easy to make an infinite number of copies and to possibly store the work in multiple places and formats. It is also unclear whether forwarding articles in the text of email messages or linking to the copyrighted content of another work online is allowed under the private use exception. What about downloading music files for individual and non-commercial use? Is it this considered private use?

Article 22/1 does not also allow temporary copying in RAM known as "incidental copying". It gives extensive protection to copyright owners since it prohibits all kinds of productions not allowing temporary copying, even if it essential and integral part of the technological process and has no significant economic value (exception for transitory reproduction).<sup>43</sup>

Article 22/2 of the UAE Copyright Law allows the legitimate owner of computer software to make back-up copies of computer software programs (databases). This is done only for purpose of substituting an original copy that is damaged. The law does not allow programmers to examine other programs to produce compatible software known as 'interoperability of software' that is essential for the development of the IT sectors and local expertise.

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<sup>40</sup> One of the cases was decided by the Dubai Court of Cassation on 17 June 2007 that found that libraries are allowed to make one copy or more of copyrighted works in any suitable format if the number of copies is limited to the needs and without prejudice the rights of the author. Appeal No. 92/2007, civil decision, 17 June 2007.

<sup>41</sup> Ibid.

<sup>42</sup> This is also a feature of European copyright laws; see Hugenholtz (2012). Accessed 1st Oct 2016.

<sup>43</sup> Compare with art. 5 of the United States Jordan Free Trade Agreement (USJFTA) <<https://ustr.gov/trade-agreements/free-trade-agreements/jordan-fta/final-text>>.

Article 22/4 of the UAE Copyright Law contains specific exceptions for reproduction of one singly copy of the work through photocopying or otherwise by libraries, archivers and documentation centres. It is unclear under article 22 whether it is possible for libraries and archivers to make works in an electronic format available online, within the confines of their premises, and whether libraries can provide interlibrary loans, which is a common practice within libraries worldwide. The UAE Copyright Law should give exceptions to benefit libraries especially in relation to the use of digital content, digitalisation of research materials and harvesting of internet resources.

Article 22/8 of the UAE Copyright Law allows reproduction of “written, sound or audio – visually short excerpts for educational purposes. It is unclear what exactly reproduction means, especially in the digital age. Does it mean making a photocopy of a text for education and cultural use or downloading for such use a copyrighted work from the internet, such as an article, an image, an mp3 file or a video?

Article 22.8 does not support new form of teaching such as distance education. The law does not allow educational institutions (also vocational training institutions) to digitize copyrighted materials for the benefit of the students enrolled in distance education courses to pursue their studies outside the classroom in a public library, computer lab or student residence, workplace or any other location that is physically removed from the school or the university.<sup>44</sup> Students are also not allowed in schools and universities to create their own “mashups” by combining different resources, such as graphics, texts, audio clips and videos, to integrate and create their own works.

The UAE fails to include other new exceptions for the digital age such as transformative use (make copies of works and their transformation from certain electronic works to other works such as the modification of the music work on CD or CD or to an MP3 format so that it can be played later), non-commercial user-generated content, format-shifting and time-shifting (copying a DVD movie to a tablet or smartphone and recording a program for later listening or viewing), network services, encryption research, security and museums exceptions.

Finally, there are currently no exceptions in the UAE Copyright Law for persons with sensory disabilities, whether blind, visually impaired or otherwise reading-disabled. This means that any use or adaptation of a work by a visually impaired persons constitutes copyright infringement. It is important for the UAE Copyright Law to permit copies of the work to be made in an accessible format (Braille, audio-recording, audio-visual or digital compatible) for these persons without the need to obtain the copyright owner’s permission. Such exceptions would help them in education by enabling them to acquire new skills and catch up with their peers.<sup>45</sup>

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<sup>44</sup> See also Olwan (2013), pp. 254–255. Available via Digital Commons at Loyola Marymount University <<http://digitalcommons.lmu.edu/ilr/vol35/iss2/2>>. Accessed 1st Oct 2016.

<sup>45</sup> Ibid, 255.

## 6 Reforming Exceptions in UAE Copyright Law

We will discuss in two separate sections the various arguments for and against the adoption of fair use in the UAE Copyright Law.

### 6.1 Arguments Supporting the Adoption of Fair Use Model

One of the arguments that can be advanced to support the adoption of American fair use system into the copyright laws of countries that follow author's right system is that a broad, principles-based exception, which employs technology-neutral drafting, would be more responsive to the rapid technological changes and developments in the digital environment than any specific, closed-list of exceptions available under the law. This is because it has the ability to respond to future and unanticipated technologies uses and new business and consumer practices such as: text mining, indexing, cloud computing, caching, web crawling, format and device shifting, mashups and map layers.<sup>46</sup> This is illustrated in the case of *Guild v. Google Inc.*,<sup>47</sup> the US District Court held that Google engaged in fair use when it digitally reproduced millions of copyrighted books for the purpose of making them available to the public for future download and display as a "snippets". The case was later appealed on 11 April 2014 to the Second Circuit Court, and Judge Level issued a decision on 16 October 2015 confirming the decision of the earlier court that Google's project constitutes fair use because it is highly transformative in nature.<sup>48</sup>

Another argument advanced by supporters of fair use is that it encourages innovation as it would empowers individuals to create and disseminate content to global audience and allows consumers to enjoy the content they own.<sup>49</sup> It specifically important because it allows any digital citizen to utilize and build on creative works as it empowers the engagement with copyrighted materials in a reasonable manner for social benefits.<sup>50</sup>

Fair use is also integral to the ability of libraries to conduct better services to their users, and these include preservation, providing access to information resources, enhancing research, and promoting education, literacy and lifelong learning.<sup>51</sup> It is extremely essential in providing access to libraries as it is sufficiently

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<sup>46</sup> See also Google Submission for ALRC Review (2012). Accessed 1st Oct 2016.

See also ALRC (2013). Accessed 1st Oct 2016.

<sup>47</sup> See *Author's Guild, Inc v. Google, Inc* 05 Civ. 8136 (S.D.N.Y.) (14 November 2013).

<sup>48</sup> See *Authors Guild v. Google, Inc* <[http://www.ca2.uscourts.gov/decisions/isysquery/cd715301-f116-49e0-b031-bc42738c4f46/2/doc/13-4829\\_opn.pdf](http://www.ca2.uscourts.gov/decisions/isysquery/cd715301-f116-49e0-b031-bc42738c4f46/2/doc/13-4829_opn.pdf)>. See also Electronic Frontiers Foundation (EFF), *Author's Guild v. Google*, Part 11 Fair Proceedings. Available via Eff. <<https://www.eff.org/cases/authors-guild-v-google-part-ii-fair-use-proceedings>>. Accessed 1st Oct 2016.

<sup>49</sup> Ibid.

<sup>50</sup> Courtney (2014a). Accessed 1st Oct 2016.

<sup>51</sup> See Courtney (2014b). Accessed 1st Oct 2016.

open to anticipate and accommodate new practices such as digitization of works, creating full-text searches, preservation, and providing access to users with disabilities.<sup>52</sup> Libraries need an open-ended system of exceptions to conduct their role efficiently and effectively.

Finally, the supporters of American fair use system believe that international copyright law is complex and does not make sense in the world today especially from the perspective of consumers and the wider public community. For that purpose, they suggest introducing an open ended exception instead of the complex specific exceptions to meet users' expectations and keep the law closer to the common standard in society.<sup>53</sup> In their opinion, this will make the law more clearly understood and increase its respect and compliance.<sup>54</sup>

## 6.2 Arguments Opposing the Adoption of Fair Use Model

One of the arguments used against the adoption of fair use system is that it originated and developed in a legal system and judicial environment different from that available in a developing country such as the UAE. The UAE Copyright Law is based on the Egyptian Intellectual Property Code,<sup>55</sup> which is influenced by the French law and civil legal system.

The UAE follows the continental European system of 'droit d'auteur' or author's rights that rationalise copyright differently from the Anglo-American system. While the principle justification of copyright law in the American system is purely economic<sup>56</sup> (utilitarian theory), this is not the case for the UAE Copyright Law that justify copyright protection based on justice and fairness (natural rights and personality theory).<sup>57</sup>

Although there exists differences between the two systems, it is worthy to note that they are of degree rather than kind. This is because judges in both systems might reach the same conclusion in similar cases, as they are required to abide by the minimum standards of rules available under the *Berne Convention* and the *TRIPS Agreements*, which acts as a bridge between the two legal regimes.<sup>58</sup>

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<sup>52</sup> Library Copyright Alliance, Hearing on the Scope of Fair Use. Available via Library Copyright Alliance <<http://www.librarycopyrightalliance.org/bm~doc/stfairusepsarev.pdf>>. Accessed 1st Oct 2016.

<sup>53</sup> See Australian Law Review Commission (ALRC), Copyright and the Digital Economy (DP 2009), (July 2013). Available via ALRC <<http://www.alrc.gov.au/publications/copyright-and-digital-economy-dp-79>>. Accessed 1st Oct 2016.

<sup>54</sup> Ibid.

<sup>55</sup> The Egyptian Law No. 82 of 2002 on the Protection of Intellectual Property Rights <<http://www.wipo.int/wipolex/en/details.jsp?id=1301>>.

<sup>56</sup> Samuelson (2005), pp. 1–22.

<sup>57</sup> See art. L. 111-1 of the IPC and compare with art. 5 of the UAE Copyright Law.

<sup>58</sup> Goldstein and Hugenholtz (2013), pp. 14, 15.

Another argument put forward by scholars and commentators not in favor of adopting the American fair use system is that it does not meet the requirements of the three-step test under international treaties mainly the *Berne Convention* and *TRIPS Agreement* since it is broad and not confined to certain special cases.<sup>59</sup> But many scholars do not support such view because there have been no WTO cases filed by any member country challenging the *US Copyright Act* for not being compatible with the three-step test.<sup>60</sup>

Many copyright scholars and commentators in the US and Europe believe that the fair use system contains a certain, and purposeful, degree of uncertainty and unpredictability.<sup>61</sup> They argue that the *US Copyright Act of 1975*, as amended does not provide a clear definition of fair use, and leave the matter to be determined by courts deciding on the facts of each case.<sup>62</sup> One American scholar also note that all of the statutory four factors that have been outlined by the legislator are not helpful since they are described as a “somewhat clumsy fact-based proxies for analysis”.<sup>63</sup> Finally, the four factors have not always been in use,<sup>64</sup> but instead decisions were issued based on one or two factors at the most.<sup>65</sup>

It is clear after reading one importance case for fair use is that the application of the four statutory factors are uncertain,<sup>66</sup> and their inability to resolve difficult questions.<sup>67</sup> Furthermore, it is also undeniable that the general language of the factors in sec. 107 does not contain any guidelines for their implementation, and as result, different conclusions reached about a single situation.<sup>68</sup> One important empirical study that was prepared by Professor Barton Beebe for two hundred fair-use cases support such conclusion.<sup>69</sup>

Another important argument against fair use is that it puts too much power in the hands of judges rather than legislator more capable of determining whether such

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<sup>59</sup> See Jehoram (2001), p. 808; Jehoram (1991), p. 677; Bornkamm (2002), pp. 45–46, cited in Senftleben (2004), p. 162.

See Bornkamm (2002), pp. 45–46, cited in Senftleben (2004), p. 162.

<sup>60</sup> Hargreaves and Hugenholtz (2013). Accessed 1st Oct 2016.

<sup>61</sup> As Professor David Vaver explains that the American fair use defence spell lawyers, lawsuits, uncertainty and confusion. See Vaver (2001), p. 237.

See also Mckenugh et al. (2004), p. 245. See also Hugenholtz and Senfteben (2011).

<sup>62</sup> Of course this does not mean that the courts can define fair use as it wish, but it has to follow a set of criteria. See H. R. Rep No. 94-1476, p. 65, cited in Madison (2006), p. 197.

<sup>63</sup> Ibid, p. 179.

<sup>64</sup> Goldstein (2005), p. 5.

<sup>65</sup> Professor David Nimmer believes that “the four factors fail to drive the analysis, but rather serve as convenient pegs on which to hang antecedent conclusions.” See Nimmer and Nimmer (2009), at 202.2.

<sup>66</sup> See for example, *Harper & Row, Publishers, Inc. v. Nation Enterprises* 471 US 539 (1985).

<sup>67</sup> See Nimmer and Nimmer (2009), ch 13, 202.2.

<sup>68</sup> Fassen (2010), pp. 71–107.

<sup>69</sup> Beebe (2008), pp. 549–624. Available Via Penn <<https://www.law.upenn.edu/journals/lawreview/articles/volume156/issue3/Beebe156U.Pa.L.Rev.549%282008%29.pdf>>. Accessed 1st Oct 2016.

uses are allowed based on public policy grounds.<sup>70</sup> It is added that copyright law is an exclusive property right and giving the discretion for the courts to create a new “right” or “interest” by applying fair use would surely weaken author’s interest, and impair the balance in the copyright system.

After we have discussed the arguments for and against the adoption of fair use in the UAE, We will now analyse the various options that are available to the UAE legislator to reform the current copyright regime and particularly exceptions to author’s rights.

## 7 Discussion of the Various Options Available for the UAE Legislator

There are mainly four options for the UAE in terms of amending its exceptions and these are: (1) leaving the law as it is and not amending art. 22 of the UAE Copyright Law; (2) introducing an expanded list of exceptions more detailed than what is provided under art. 22 of the UAE Copyright Law; (3) the adoption of the American fair use system similar to sec. 107 of the *US Copyright Act*; and (4) keeping the current limited exceptions as they are and adding in addition a general fair use provision.

*Option 1—No Amendment for Limitations and Exceptions* The first option for the UAE is to leave its current exceptions as they are without amendments under the UAE Copyright Law. This would mean that there is no need for a fair use exception or any other amendment because the existing exceptions are effective and adequate to stand on their own to address technological developments and promote innovation and creativity within the country. This opinion is not accurate as explained in this chapter because art. 22 of the UAE Copyright Law suffers from many shortcomings. If the UAE still decides to adopt this option, it is important for UAE judges to be flexible as much as possible when dealing with copyright exception cases in the future.

*Option 2—Adding New Limitations and Exceptions* The second option for the UAE is to expand and broaden its current exceptions that are available under art. 22 of the UAE Copyright Law. While it might be difficult to change the situation entirely in the UAE by replacing exceptions with the American fair system, it is suggested in the meantime to make a simple, but important amendment to the UAE Copyright Law that is to replace the word of “following” in art. 22 of the UAE Copyright Law with “including” or “such as” to render the list of enumerated exceptions suggestive rather than exhaustive.<sup>71</sup> The advantage of “such as” or “middle system” is that it is technologically neutral and flexible enough to adapt to new

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<sup>70</sup> See Australian Law Reform Commission (ALRC) (1998). Accessed 1st Oct 2016.

<sup>71</sup> Fassen (2010), pp. 71–107.



technologies, and legitimate social practices as they evolve.<sup>72</sup> Furthermore, it provides greater certainty than an open-norm approach<sup>73</sup> that might not be immediately acceptable in the UAE. This kind of small, but important amendment need to be studied well before it is introduced in the UAE because it gives judges ample power to create new exceptions as they wish. Finally, it is important to add additional exceptions in the UAE Copyright Law for other purposes such as time-shifting, format shifting, reverse engineering, incidental or technical copying, interoperability, creative transformative use and access for people with disability.

*Option 3—Adoption of the American Fair Use System* The third option for the UAE is to adopt a comparable system to the American fair use by introducing instead of art. 22 of the UAE Copyright Law one or two articles that resemble entirely sec. 107 of the *US Copyright Act of 1975*, as amended. This has been the approach taken by several countries that have adopted the American fair use system into their copyright regime and these are Israel,<sup>74</sup> Taiwan,<sup>75</sup> and Sri Lanka.<sup>76</sup> The question here is whether the UAE is ready for such step. The author of the opinion that the UAE is not completely ready for such a system at this time for various reasons. Firstly, because it would not be in the best interests of the UAE to take an alien concept such as fair use and put into its author's right and civil law system without proper consideration and study. Although legal transplanting might be useful to develop local laws, it should be sensitive to the local legal system and environment, and done intelligently after understanding the fundamentals, history and rationales of the foreign law.<sup>77</sup> As Professor Peter Yu observed "[b]efore the transplant, policymakers should identify what they seek to achieve through law reform. They should not just transplant laws for the sake of transplantation..... Instead, they should evaluate local conditions and select a model that would best fit these specific conditions. They should further explore whether adaptations are needed to make the transplanted laws effective".

Secondly, another important point to make is that judges in a civil law country such as the UAE would be uncomfortable in applying fair use cases and determining the scope of copyright and policy. This is because they have no power to create new law or rely on binding or previous decisions in issuing their judgments, as every case is unique, and they need to rely entirely on the copyright law in dealing with cases.

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<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>74</sup> See sec. 19 of Israel *Copyright Law Act of 2007*. Available via WIPO <[http://www.wipo.int/wipolex/en/text.jsp?file\\_id=132095](http://www.wipo.int/wipolex/en/text.jsp?file_id=132095)>.

<sup>75</sup> See art. of the Taiwanese *Copyright Act of 2007*, as amended. Available via WIPO <<https://www.tipo.gov.tw/ct.asp?xItem=508148&ctNode=6825&mp=2>>.

<sup>76</sup> See also the Sri Lankan *Intellectual Property Act No. 36 of 2003*, Part II—Chapter 1, art.11. Available via WIPO <<http://www.wipo.int/wipolex/en/details.jsp?id=6705>>.

<sup>77</sup> Fitzgerald (1998), p. 58. Accessed 1st Oct 2016.



Thirdly, as previously discussed, it is risky to introduce American fair use when the implementation of this system has proven to be uncertain and unpredictable. This matter should not be ignored by the UAE legislator that must make sure when drafting new law to be sufficiently certain and precise.

*Option 4—Combination of Different Systems* The last option is the one that has been the approach that was followed in countries such as South Korea and the Philippines. These two countries combine their own enumerated system with fair use. If the legislator in the UAE wants to reform its exceptions based on this option in the future, it is suggested to adopt a similar system based on the South Korean Copyright Law<sup>78</sup> and the Philippines Intellectual Property Code.<sup>79</sup>

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<sup>78</sup>Art. 35-3 (Fair Use of Copyrighted Material) of the South Korean Copyright Law provides that:

(1) Other than the cases stipulated from art. 23 to arts 35-2, Article 101-3 to art. 101-5 it shall be permissible to Use works for purposes such as news reporting, criticism, education, or research which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder. (2) The following four factors must be considered in determining whether a particular use is fair:

1. the purpose and character of the use, including whether such Use is of commercial nature or is for non-profit purposes;
2. the nature of the copyrighted work;
3. amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
4. the effect of the use upon the actual and potential market or value of the copyrighted work.

See South Korean *Copyright Act No. 432 of 1957*, as amended. Available via WIPO <<http://www.wipo.int/wipolex/en/details.jsp?id=2743>>.

<sup>79</sup>Arts. 184.1 (chapter VIII—Limitations and exceptions) of the Intellectual Property Code of the Philippines provides that:

184.1. Notwithstanding the provisions of Chapter V, the following acts shall not constitute infringement of copyright:

.....

185.1. The fair use of a copyrighted work for criticism, comment, news reporting, teaching including multiple copies for classroom use, scholarship, research, and similar purposes is not an infringement of copyright. Decompilation, which is understood here to be the reproduction of the code and translation of the forms of the computer program to achieve the inter-operability of an independently created computer program with other programs may also constitute fair use. In determining whether the use made of a work in any particular case is fair use, the factors to be considered shall include:

- a. The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;
- b. The nature of the copyrighted work;
- c. The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- d. The effect of the use upon the potential market for, or value of, the copyrighted work.

See *Intellectual Property Code of the Philippines No. 8293 of 1997*, as amended. Available via WIPO <[http://www.wipo.int/wipolex/en/text.jsp?file\\_id=129343](http://www.wipo.int/wipolex/en/text.jsp?file_id=129343)>. Accessed 1st Oct 2016.

According to the Korean and Philippines copyright laws, it is permissible to use works for news reporting, criticism, education and research and other permitted specified purposes.<sup>80</sup> The four factors in the American fair use can be used to determine whether the use is fair or not, but judges can decide other relevant factors (Philippines Intellectual Property Code),<sup>81</sup> and their decision must be in accordance with the three-step test available in the *Berne Convention* (South Korea Copyright Law).<sup>82</sup>

The UAE should develop its own system of exceptions that contain the benefits of the two systems, that is the enumerated lists of specific exceptions and the open-ended system of exceptions that allow new permissible uses based on predetermined statutory factors. It is imperative before amending the law by the legislator to prepare a comprehensive review of the UAE Copyright Law and particularly limitations and exceptions to examine their adequacy and appropriateness for the digital environment today and in the future. Having this study would guarantee that whatever system adopted in the country is suitable to the UAE copyright regime and future technological and development aspirations of the country.

It is noted that the UAE is going through many changes not only in business, but also in other sectors such as education, telecommunication, and media. The UAE is also embarking on many new initiatives to make the country as a regional hub for the region.

Amending limitations and exceptions would be an important step for the country to have a successful innovation system, as it would enable the development of legitimate new business and consumer practices.<sup>83</sup> It can also be important to support the UAE Government's goal to be knowledge-based economy in accordance with the UAE Vision of 2021.<sup>84</sup>

## 8 Conclusion

Many copyright scholars and commentators have suggested the adoption of the American fair use system instead of restrictive models in their national copyright laws to promote flexibility and innovation. However, is it really a good idea to adopt this system outside the US jurisdiction where it was developed for centuries?

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<sup>80</sup> For explanation of Korean cases, Jong (2017). Accessed 1st Oct 2016. See also Cho (2013a). Accessed 1st Oct 2016.

<sup>81</sup> See sec. 184 limitations on Copyright and sec. 185 Fair Use of a Copyrighted Work of the Intellectual Property Code of the Philippines.

<sup>82</sup> For further explanation, see Cho (2013b). Accessed 1st Oct 2016.

See also Jong (2014). Accessed 1st Oct 2016.

<sup>83</sup> Fassen (2010).

<sup>84</sup> See the UAE Vision of 2021 that strives to build a nation where "knowledgeable and innovative Emiratis will confidently build a competitive and resilient economy that will thrive as a cohesive society bonded to its identity, and enjoy the highest standards of living within a nurturing and sustainable environment." Available via the Ministry of Cabinet Affairs <<http://www.vision2021.ae/en>>.

The answers to this question depend on the kind of legal system available in the country and on a number of various policy considerations that should be taken into consideration before making a decision to adopt any particular system.

If the UAE is serious about allowing consumers and businesses to use the Internet and digital technologies to develop their capabilities and enjoy its benefits, it needs to create a flexible system of exceptions no matter which system of exceptions the country decides to adopt.

The enumerated circumscribed system of exceptions adoptive in countries following “droit du auteur” or the author’s right system offers a good deal of predictability and legal security, but at the same time inflexible, and not accommodative enough to technological developments, and unforeseen practices. This is why it is recommended to introduce a measure of flexibility to the existing structure of well-defined exceptions in the UAE Copyright Law to combine the advantages of legal security and technological neutrality.<sup>85</sup> This can be achieved by broadening the list of exceptions and introducing new ones that are suitable to the digital age such as time-shifting, format shifting, reverse engineering, incidental or technical copying, creative and transformative use, libraries and archivers for preservation and collecting digital texts. Another option would be to adopt the American fair use system and combine it with the enumerated European system. This would take the benefits of the two systems.

It is imperative for the legislator in the UAE to prepare a comprehensive review of the copyright law, and particularly limitations and exceptions to examine their adequacy and appropriateness for the digital environment today and in the future. Having such a review would guarantee that whatever the system adopted in UAE is suitable to its copyright regime and future development and technological aspirations.

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# Digitising the Public Domain: Non Original Photographs in Comparative EU Copyright Law



Thomas Margoni

## 1 Background

The purpose of this chapter is to explore the legal consequences of the digitisation of cultural heritage institutions' collections and in particular to establish whether digitisation processes can trigger forms copyright and copyright-related protection under EU law.<sup>1</sup> Whereas the study will also look at the originality requirement for copyright protection in the digitisation of physical items, the main objective lies elsewhere, namely in forms of protection for non-original photographs. In fact, in some EU Member States (MS) a dedicated related (or neighbouring) right to copyright is available for the protection of "other photographs" that is to say photographs which are not original.<sup>2</sup>

The reasons for this analysis are linked to a situation of legal uncertainty in which cultural institutions engaged in digitisation projects frequently find themselves. This situation can be summarised as the inability of cultural institutions to establish with reasonable certainty whether they possess, or could possess,

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<sup>1</sup>The focus of the chapter is on the digitisation of "texts" (including books, newspapers, letters, manuscripts, etc.), "images" (including paintings, drawings, maps, photos, etc.), and "objects" (including statues, sculptures, vases, coins, etc.). Importantly, the chapter concentrates on the copyright or copyright related status of digitised items individually considered and therefore the issue of whether the digitised collection can trigger database rights (copyright or *sui generis*) is out of scope. This article is based on a study on the digitisation of cultural heritage institutions' collections; for details, including methodology, national correspondents and online maps, <http://outofcopyright.eu/rights-after-digitisation/>. Accessed 28 April 2017.

<sup>2</sup>For a detailed analysis of the originality issue in relation to digitisation processes, see Margoni (2014) Study on the digitisation of cultural heritage originality, derivative works and (non) original photographs, [http://outofcopyright.eu/wp-content/uploads/2015/03/digitisation\\_cultural\\_heritage-thomas-margoni.pdf](http://outofcopyright.eu/wp-content/uploads/2015/03/digitisation_cultural_heritage-thomas-margoni.pdf). Accessed 28 April 2017.

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specific rights stemming from the activity of turning their “physical” catalogue into a “digital” one. More often than not, cultural institutions claim not to be in the legal position to decide whether the digitised representation of the original is in the public domain or, by contrast, whether the digitisation process creates a new primary or derivative work or other protected subject matter.<sup>3</sup> The situation is further complicated by the varying status of the items being digitised: an item might be in the public domain or constitute protected subject matter in its own right, a condition that may influence not only the final result but also the possibility of proceeding with digitisation in the absence of specific authorisation.<sup>4</sup>

At the same time, some cultural institutions express concern that allowing unrestricted reproduction and digitisation of works in their collections would deprive them of an important source of income, which is a compelling issue especially during periods of dire financial crisis and increased cutting of public funding to cultural institutions.<sup>5</sup> It is important to note, however, that a growing number of cultural institutions are realising that allowing free access to their digitised collections is actually a powerful method to attract the general public to their online and also physical establishments, a method that is also adherent to their public remit.<sup>6</sup> On the other hand, many online projects dealing with digital

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<sup>3</sup>Cultural heritage institutions’ ability to digitise their collections is largely based on the public domain status of the latter. When the copyright, or at least the rights of economic exploitation, elapse, acts such as those here under scrutiny can be performed without the need to secure authorisation. Alternatively, when the items forming the collections are protected by copyright or related rights to copyright two possibilities are available: relying on fair use/dealing or other Exceptions or Limitations to Copyright (ELC) or seek the authorisation of the copyright holder; additionally, in a growing number of countries specific legislation on “orphan works” has been enacted.

<sup>4</sup>Authorisations required on a legal basis other than the one identified in the research question are not considered in this study, although they may represent an impediment to digitisation projects. In particular, claims based on database rights (copyright and *sui generis*), unfair competition, misappropriation, PPP agreements and other special forms of protection are outside the scope of this study. An example of special forms of protection are “Cultural Heritage Codes” requiring the authorisation of the competent Ministry for acts such as reproductions of items listed as cultural heritage. The functioning of these codes, considerations related to the fact that they may reintroduce a copyright-like forms of protection for public domain works not contemplated by the *aquis communautaire*, and whether this is a power resting with MS or it has been pre-empted by EU copyright law are also not discussed in this chapter. For an account regarding the basic traits of the Italian and Greek Cultural Heritage Codes, see Morando (2011), *Diritti sui beni culturali e licenze libere* (ovvero, di come un decreto ministeriale può far sparire il pubblico dominio in un paese) (Cultural Heritage Rights and Open Licenses (i.e. How a Ministerial Decree Can Obliterate the Public Domain in a Country) (June 9, 2011), Quaderni del Centro Studi Magna Grecia, Università degli Studi di Napoli, Federico II, 2011, <https://ssrn.com/abstract=2148343>).

<sup>5</sup>For an analysis of the relationship between Cultural Heritage Institutions, the Public Domain and Public Sector Information, see Kelleret al. (2014), pp. 1–9.

<sup>6</sup>Pekel (2014), *Democratising the Rijksmuseum - Why did the Rijksmuseum make available their highest quality material without restrictions, and what are the results?* Europeana Case Study, [http://pro.europeana.eu/files/Europeana\\_Professional/Publications/Democratising%20the%20Rijksmuseum.pdf](http://pro.europeana.eu/files/Europeana_Professional/Publications/Democratising%20the%20Rijksmuseum.pdf). Accessed 28 April 2017.



images of (often public domain) works such as paintings and art objects have faced claims connected with the status of those digital representations. Examples can be seen in the operations of *Europeana*<sup>7</sup> and in some cases involving *Wikipedia*.<sup>8</sup>

Additionally, in a recent document, the European Commission (EC) stated that a large number of Member States (MS) “reported obstacles in ensuring that public domain material remains in the public domain after digitisation, mainly in connection with photos and photographers’ rights”.<sup>9</sup> Furthermore, the report indicates that “the complex issue of a new layer of rights triggered by the digitisation process itself in some cases is mentioned as a potential source of legal uncertainty. The fear of losing control, use of public domain material to generate income and difficulties to assert public domain status were also reported as possible obstacles ...”. The Commission concludes that “the legal stand of some digital reproductions of public domain works lacks clarity and requires further attention”.<sup>10</sup> Similar concerns expressing that “public domain content in the analogue world should remain in the public domain in the digital environment” have been expressed by the High-Level Expert Group on Digital Libraries in 2008.<sup>11</sup>

In the light of these and similar concerns, this chapter attempts to clarify the copyright and copyright related situation originating from digitisation projects which, as the Commission and many MS report, are the cause of legal uncertainty. A major role in this legally uncertain field is played by the standard of originality, which is one of the main requirements for copyright protection. Only when a subject matter reaches the required threshold of originality can it be considered a work of authorship. That said, the issue of originality and especially its evolution towards a fully harmonised standard in the EU has been analysed elsewhere and accordingly is not reported here except with specific and limited reference to photographic works.<sup>12</sup> As such, the main focus of the chapter turns to the protection afforded to photographs of works of art and, in particular, to non-original photographs and whether such protection arises during the digitisation of cultural heri-

<sup>7</sup> See <http://www.europeana.eu>.

<sup>8</sup> See e.g. the National Portrait Gallery and Wikimedia Foundation copyright dispute described at [https://en.wikipedia.org/wiki/National\\_Portrait\\_Gallery\\_and\\_Wikimedia\\_Foundation\\_copyright\\_dispute](https://en.wikipedia.org/wiki/National_Portrait_Gallery_and_Wikimedia_Foundation_copyright_dispute). Accessed 28 April 2017; and the recent dispute between Wikimedia Foundation and Reiss Engelhorn Museum over public domain works of art: <https://blog.wikimedia.org/2015/11/23/lawsuit-public-domain-art/>. Accessed 28 April 2017.

<sup>9</sup> See the Report on the Implementation of Commission Recommendation 2011/711/EU - Progress Report 2011–2013 of September 2014 “Digitisation, online accessibility and digital preservation”, available at <https://ec.europa.eu/digital-agenda/en/news/european-commissions-report-digitisation-online-accessibility-and-digital-preservation-cultural>, at 22.

<sup>10</sup> Id. For an analysis of the value of public domain photographs available on websites such as wikipedia, see Heald et al. (2015), pp. 1–32.

<sup>11</sup> See High Level Expert Group on Digital Libraries Sub-group on Public Private Partnerships, Final Report on Public Private Partnerships for the Digitisation and Online Accessibility of Europe’s Cultural Heritage, May 2008.

<sup>12</sup> See Margoni (2016).



tage items. A more thorough analysis including the availability of standard copyright protection and the possible creation of derivative works can be found elsewhere.<sup>13</sup>

The chapter's working hypothesis postulates that in a vast majority of situations digitisation processes do not attract, nor should attract, any form of protection based on copyright and related rights.<sup>14</sup> Nonetheless, in some cases, protection afforded by copyright and by the neighbouring right protecting "other" photographs may be available. The turning point is the distinction between a mere act of reproduction (which for copyright purposes may constitute a right of economic exploitation of a protected work) and an act that creates something new (a new original or derivative work or another type of subject matter such as "other" photographs).

The chosen methodology is mixed. The main research activity was based on desk research of relevant legislation, case law, policy documents and literature at international, EU and MS level following a comparative method. This was integrated with responses from a questionnaire administered to select legal experts in the 28 EU Member States plus some additional European countries. The questionnaire was comprised of two parts. Part I asked four open-ended questions on identified fundamental concepts of copyright law: originality, derivative works, original photographs and neighbouring rights. Part II was based on a hypothetical case study testing three different scenarios during which respondents were asked a number of multiple choice questions. The three scenarios, while certainly over-simplifying the complex and idiosyncratic dynamics that digitisation activities follow, identified and summarised some of the most common characteristics of digitisation processes.<sup>15</sup>

The first scenario, labelled "automated digitisation" was described as "[a]utomated digitisation realised in absence (or negligible presence) of human intervention (e.g. Google scanning automatically all books of the entire collection)". The second scenario, labelled "semi-automated digitisation" was described as "[a]utomated digitisation realised by a human operator (e.g. human operator taking pictures/manually photocopying collections for inventory/classificatory purposes)". The third scenario, called "human digitisation" was described as "[d]igitisation operated by a specifically hired professional with the objective to realise high quality outputs (e.g. photographer taking different shots in different light conditions to

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<sup>13</sup>It can be found here in Margoni (2014), available at <http://outofcopyright.eu/rights-after-digitisation/>.

<sup>14</sup>This does not mean that under specific circumstances remedies based on other causes of action, such as unfair competition, misappropriation, breach of confidence, or sometimes even trade marks, are excluded. However, their eventual availability is not strictly related with the originality, or lack thereof, in the acts of digitisation and is therefore outside the scope of the present study.

<sup>15</sup>Additional material and references relating to the present study such as a list of national correspondents, the questionnaire employed and graphical representations of the results can be found at <http://outofcopyright.eu/rights-after-digitisation/>. Accessed 28 April 2017.

create high-resolution images to be made available on the institution's website)".<sup>16</sup> Further details on the methodology and results obtained can be found in the study's full report.<sup>17</sup>

It may be useful to state from the outset that the study outlined that a work's format shift from three-dimensions (*e.g.*, an object of art) to two-dimensions (as are most photographic representations) is not usually identified in the literature as an essential element of originality, though it may become a decisive factor as a matter of fact. When a photographer must represent in two dimensions (through photography) an element of reality that is in three dimensions (an object), they may find themselves making choices towards which elements of the three dimensions should or should not be reproduced in two dimensions and how. This amplified space for choices may form the theoretical basis for originality when those choices are free and creative. In other words, whereas the dimension conversion is not synonym of creativity, it may nonetheless represent the gateway to it.

## 2 Photographic Works and Non-original Photographs

This part briefly outlines international and EU protections afforded to photographic works. Some elements connected with the CJEU analysis of the protection of photographs (*i.e.*, *Painer*<sup>18</sup>) are concisely presented. Additional elements of analysis regarding the implementation of EU legislation, the special case of "other photographs" and MS case law are presented below in the relative country analysis.

### 2.1 *The International Landscape*

When photography was invented at the beginning of the nineteenth century, it was seen as a mechanical process where the possibility to express one's creativity was precluded by an extremely rudimentary (for today's eyes) technique.<sup>19</sup> During the nineteenth century and in the beginning of the twentieth, however, photographic techniques and apparatuses developed fast and became more sophisticated allowing

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<sup>16</sup>The results of the questionnaires were of fundamental assistance in the completion of the study. Furthermore, correspondents contributed by providing documents that were not available in English or in the other languages known to the author. Where correspondents have provided specific documents and helped with translations, this is acknowledged in the study. That being said, all the possible mistakes are the responsibility of the author alone.

<sup>17</sup>See Margoni (2014).

<sup>18</sup>Case C-145/10 of 1 December 2011, *Eva-Maria Painer v. Standard Verlags GmbH and others*, (CJEU) ECLI:EU:C:2011:798.

<sup>19</sup>The earliest still surveying camera photograph, *View from the Window at Le Gras*, dates back to 1826; See [https://en.wikipedia.org/wiki/View\\_from\\_the\\_Window\\_at\\_Le\\_Gras](https://en.wikipedia.org/wiki/View_from_the_Window_at_Le_Gras). Accessed 28 April 2017.

operators to regulate, modify and adjust a number of parameters. In this way, the process of fixing images on film moved closer to an activity requiring the specific skills of a professional photographer, someone who was trained in a specific technique and whose photographs would likely differ from those of an amateur photographer—though not necessarily from those of another equally skilled technician. Nevertheless, the ongoing development of technology and techniques eventually lead to a constant growth of the possible ways in which to represent and express an image. In other words, the choices that photographers could make in order to obtain the desired results came to be seen as allowing—in certain cases—the expression of an original work. Therefore the idea that photography could be conceived as a form of art deserving proper copyright protection began to spread.<sup>20</sup>

This historical evolution of photography is somehow mirrored by the protection it was accorded in international conventions. Photographic works have been formally included in the enumeration of works of Art. 2(1) of the Berne Convention (BC) only since the Brussels revision of 1948, though photographs had been recognised as copyright subject matter by some countries legislation or case law since much earlier. Other countries, however, refused to recognise full artistic status to acts deemed to involve technical skills rather than creativity.<sup>21</sup> As reported by Ricketson, the tension between these opposing approaches led to the approval of a declaration in the Closing Protocol to the original Berne Act of the Convention of 1886:

As regards Article 4, it is agreed that those countries of the Union where the character for artistic works is not refused to photographs engage to admit them to the benefits of the Convention concluded today, from the date of its coming into force. They shall, however, not be bound to protect the authors of such works further than is permitted by their own legislation ... It is understood that an authorised photograph of a protected work of art shall enjoy legal protection in all countries of the Union, as contemplated by the Convention for the same period as the principal right of reproduction of the work itself subsists, and within the limits of private agreements between those who have legal rights.

Accordingly, as per the first version of the Berne Convention, the only photographs required to be protected by Union Members were authorised photographs of protected works of art. Regarding all other types of photographs, protection was left to the discretion of those Berne Countries which deemed photographs to be artistic works.<sup>22</sup>

Eventually, a gradual but steady sentiment of recognition of photographs within the realm of works of arts grew among Berne Countries as it can be observed in the different revisions of the Convention. By 1908, photographic works and works obtained by an analogous process were recognised as protected subject matter, even

<sup>20</sup> See Bently and Sherman (2014), p. 95; Bettink (1989), p. 37; Deazley (2010), p. 293; Garnett (2000), p. 229; Gendreau et al. (1999); Hughes (2011–2012), p. 419.

<sup>21</sup> To the first category of countries belong France and the UK, while to the second Germany; See Ricketson S., *International Conventions*, in Gendreau et al. (1999), p. 18.

<sup>22</sup> See Ricketson S., *International Conventions*, in Gendreau et al. (1999), p. 19.

though they were not considered as literary and artistic works and no reference was made as to the duration of protection.<sup>23</sup>

As mentioned, it was not until the Brussels revision of 1948 that photographs were recognised as a form of artistic work and included in the list of Art. 2, which protects literary and artistic works in general. Yet, the full assimilation of photographs to other works of authorship never achieved its completion in Berne, at least in relation to the term of protection. Since the Stockholm revision of 1967, it was established a minimum of 25 years of protection from the making of the photograph, a term that has remained unmodified in the text of the Berne Convention to today.<sup>24</sup> However, as it is well known, the term of protection of photographs for signatories to the WIPO Copyright Treaty of 1996 (which is considered as a special agreement within the meaning Art. 20 of the Berne Convention), is substituted with that of Art. 7(1) Berne Convention, that is to say, 50 years *post mortem auctoris*.<sup>25</sup> For EU Member States, the Copyright Term Directive has extended the general term of protection for photographic works (*i.e.*, those that are the author's own intellectual creation) to 70 years.<sup>26</sup> It is significant to note, however, that until the WCT of 1996 photographic works were still not fully assimilated to "traditional" works of authorship, such as artistic and literary works.

It should likewise be noted that obligations established by BC refer to photographic works, that is to say to intellectual creation expressed through photography or a process assimilated to it. As seen, the specific determination of the level of originality required is left to the discretion of the Berne Union members. The Berne convention itself, only requires the protection of photographic works and does not regulate the type of protection that countries can afford to other types of photographs by way of neighbouring rights.<sup>27</sup>

## 2.2 The European Landscape

The Term Directive established that photographs that are original in the sense that they reveal the author's own intellectual creation reflecting his or her personality shall be protected by copyright and that no other criteria such as merit or purpose shall be taken into account to determine eligibility for protection.<sup>28</sup>

In *Painer* the CJEU elaborated further the concept of author's own intellectual creation in relation to photographic works, and especially to portrait photographs. In this decision, the Court denied that portrait photographs, which allegedly are less

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<sup>23</sup> *Id.*, at 22.

<sup>24</sup> See Art. 7(4) Berne Convention.

<sup>25</sup> See Art. 9 WIPO Copyright Treaty.

<sup>26</sup> Regarding the harmonisation of the term of protection of copyright in the EU see generally Angelopoulos (2012).

<sup>27</sup> See Ricketson S., *International Conventions*, in Gendreau et al. (1999), cit., p. 25.

<sup>28</sup> See Recital 16 and Art. 6 Directive 2006/116/EC (codified version).

original than other types of photographs, deserve a lower level of protection and established that the photographer can make free and creative choices in several ways and at various points in the creation of a photographic work.<sup>29</sup> The first identified moment is in the preparation phase, during which the photographer can choose the background, the subject's pose and the lighting.<sup>30</sup> Secondly, when taking a photograph, he can choose the framing, the angle of view and the atmosphere created.<sup>31</sup> Thirdly, when selecting the snapshot, the photographer may choose from a variety of developing techniques the one he wishes to adopt or, where appropriate, use computer software.<sup>32</sup> By making these various choices, the author of a (portrait) photograph can stamp the work created with his "personal touch".<sup>33</sup>

On this basis, the Court concludes that a portrait photograph cannot be excluded from protection by the sole fact that the choices available are too limited when the photographed object or subject are predetermined. Nevertheless, it will be a matter for national courts to determine whether any specific picture possesses the author's personal stamp.

That said, photographic works are not the only recognised protectable subject matter in Art. 6 of the Term Directive. As seen, the last part of Art. 6 allows MS to afford protection to "other photographs" without however offering any more precise guidance. In general terms, MS definition of what is meant by "other photographs" is rather circular in the sense that the formula commonly employed refers to photographs that do not qualify as works of photography. European countries recognising this form of protection (7 EU members plus 2 EEA members<sup>34</sup>) usually accord rights similar to those of regular copyright (however there are significant exceptions) for a period of time that is considerably shorter. The term of protection is probably the most inhomogeneous aspect across countries and varies from 15 to 50 years from production or publication.<sup>35</sup> Regarding the subjective element, *i.e.*, what type of human input is requested, it is certainly below the now harmonised level of originality (the author's own intellectual creation). Yet, there need to be *something*, a minimum element of craftsmanship, intellectual input or photographic activity, involved. This minimum amount is necessary to "draw the line of demarcation between photography on the one hand and mere copying on the other" and is left to the discretion of each MS.<sup>36</sup>

In conclusion, the Copyright Term Directive established two main principles in relation to photography: it harmonised the originality standard for photographic

<sup>29</sup> See *Painer* (C-145/10, 1st December 2011), at 90.

<sup>30</sup> *Id.*, at 91.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*, at 92. See for a comparison the U.S. Supreme Court case *Burrow-Giles Lithographic v. Sarony*, 111 U.S. 53 (1884).

<sup>34</sup> Germany, Spain, Italy, Austria, Denmark, Finland, and Sweden, plus Iceland and Norway; see *infra* Annex.

<sup>35</sup> Norway however requires 15 years *p.m.a.*, but at least 50 years from creation.

<sup>36</sup> See Walter M., Austria, in Gendreau et al. (1999), p. 49.

works and allowed MS to grant protection to “other” photographs. The section below considers how this double system of protection operates. Since the EU legislature did not offer any guidance with regard to “other photographs”, thereby only creating the conditions for MS action, it is at the MS legal system that attention must be directed. Accordingly, in order to proceed it will be necessary to move to the analysis of selected national legal orders.

### 3 National Implementation

#### 3.1 Germany

German law offers protection to original photographs as photographic works under the provision of Art. 2. Thus, that in order to be considered a work of photography photographs need to constitute a personal intellectual creation of their author, a requirement that seems in line with the EU mandated standard.<sup>37</sup>

Furthermore, German law offers protection to non-original photographs, a category that includes products manufactured by employing techniques similar to photography.<sup>38</sup> These photographs do not need to reach the personal intellectual creation standard of Art. 2, yet they are protected by the German Copyright Act in an almost equivalent form, that is to say, by extending—as far as compatible—the provisions protecting original photographs. Consequently, in general terms it can be observed an almost perfect assimilation of protection of the non-original photographs of Art. 72 to the photographic works of Art. 2.<sup>39</sup> The main difference relates to the term of protection, as the duration of the exclusive rights for non-original photographs is limited to 50 years after publication or production.<sup>40</sup>

More specifically, it can be said that a photograph is protected pursuant to Art. 72 in those cases when very low or minimal original content is present and therefore this includes amateur photography, such as “point-and-shoot” pictures, where the space for free and creative choices is very limited.<sup>41</sup> However, a minimum level of originality is still necessary, although inevitably lower than that of Art. 2, and it can be expressed, for example, through the determination of the shooting conditions.<sup>42</sup> Accordingly, it has been stated that simple photographs are protected so long as they possess “*ein Mindestmaß an persönlicher geistiger Leistung*” i.e. a minimum of

<sup>37</sup> Dietz suggests that the two standards, the German “personal intellectual creation” and the EU “author’s own intellectual creation”, are equivalent; See Dietz A., Germany, in Geller and Bently, 2[1][b].

<sup>38</sup> See Art. 72(1) UhrG.

<sup>39</sup> See Wiebe A., Schutz der Lichtbilder, in Spindler and Schuster (2011), p. 1693.

<sup>40</sup> See Art. 72(3) UhrG.

<sup>41</sup> See Wiebe A., Schutz der Lichtbilder, cit., at 1693.

<sup>42</sup> Id.; See also Case I ZR 55/97 (German Federal Supreme Court, BGH), of 3.11.1999, in MMR 2000, 218.

personal intellectual input as opposed to the requirement of “personal intellectual creation” that Art. 2 demands for photographic works.<sup>43</sup>

In light of the aforementioned conditions, it seems that a perfect digitisation of a text, document, or image, realised by processes such as digital scanning or photocopying will fall outside the scope of protection of Art. 72 and constitute mere reproductions, as confirmed by the German Supreme Court in a case of mechanic copying of books.<sup>44</sup>

A different conclusion, however, could be reached when the digitised element is not a text or an image, but a three-dimensional object. In the latter case, there will most likely be a human operator who in a process that can be assimilated to photography might place the item in the best position in terms of light, angle, height and/or perspective in order to capture as many details of the object as possible. In such a case, while the intent of the photographer is certainly that of reproducing the reality as closely as possible, therefore excluding any personal stamp, the protection of simple photographs may be available inasmuch as the result reflects the author’s minimum intellectual input. This remains, nonetheless, a very contentious issue, and the fact that the result of the digitisation process is a perfect reproduction of the three-dimensional object should weigh against the possibility that the picture be protected by either Art. 2 or Art. 72 German Copyright Act as this would contrast with copyright’s policy goals.

### 3.2 France

Photographic works, which include works produced by techniques analogous to photography, are protected when they reach the required level of originality. Examples of creative choices that can lead to the necessary level of originality in the creation of photographic works can be identified in the selection of shots, in the adjustment of camera angles and lighting, or in the staging or preparatory acts leading to the taking of the photograph.<sup>45</sup> French copyright law does not afford special neighbouring right protection to non original photographs.<sup>46</sup>

Interestingly, the Court of Appeal of Paris held that a photograph of a work of art may be original due to its own photographic features and therefore lead to an

<sup>43</sup> See Case IZR 55/97 (German Federal Supreme Court) of 3.11.1999 (Schutz von Lichtbildwerken), in MMR 2000, 218 (the Court, relying on previous case law, employed the expression “*ein Mindestmaß an persönlicher geistiger Leistung*” as opposed to the formula found in Art. 2 “*persönliche geistige Schöpfungen*”).

<sup>44</sup> See in this sense Case IZR 14/88 (German Federal Supreme Court, BGH), of 08.11.1989 (*erstellung und Vertrieb einer Bibelreproduktion*), in NJW-RR 1990, 1061 (excluding protection as simple photographs in case of mere duplication lacking any minimum of personal intellectual input).

<sup>45</sup> See Lucas A., Kamina P., Austria, in Geller and Bently (2013), at 2[2][b].

<sup>46</sup> For an account documenting a legislative initiative to introduce a form of protection for, *inter alia*, non original photographs, see Le Stanc (1992), pp. 438–444.



“*oeuvre composite*”.<sup>47</sup> In this case, the photographer, taking pictures of works of art during an exhibition, chose the moments of the click, the type of illumination and the angles of the photograph, thereby demonstrating creativity and the stamp of his personality. It must be noted, nonetheless, that in the referred case the work of art was a moving object, an aspect central to the holding of the court, which focused on the fact that the photographer had to choose the right moment during the swinging of the object in order to represent properly the work of art. This choice of time, light and angle was held to not constitute a mere application of technical knowledge, notwithstanding the fact that the plaintiff argued he had given specific instructions to the photographer on how to realise the pictures.<sup>48</sup> Similarly, in another decision the *Cour de Cassation* found that a photographer put his personal stamp on the photographic work by choosing the most opportune moments and ways to realize the picture.<sup>49</sup>

Nevertheless, in order to find that a photograph deserves copyright protection, it is mandatory for courts at trial to determine on a case-by case-basis whether the author stamped his creativity on the work.<sup>50</sup> Consequently, it has been ruled that a number of photographs of the city of Paris that were automatically taken by a camera placed on an aircraft and where the “operator” could only determine the moment of the shot, but not the angle, light and other parameters, did not show the personality of the author and consequently did not attract copyright protection.<sup>51</sup> In that case, the Court stressed that even though the pictures were realised with great skill (“*elles sont le fruit du travail d’un excellent technicien doté d’un équipement performant*”) they lacked an original character and did not carry the stamp of the author’s personality: The pictures would have looked identical if taken by another technician placed in the same situation.<sup>52</sup> Recently, the Supreme Court held that a photograph was not protected as a work of authorship because “*la photographie revendiquée ne révélait, dans les différents éléments qui la composent, aucune recherche esthétique et qu’elle constituait une simple prestation de services techniques ne traduisant qu’un savoir-faire*”.<sup>53</sup> While the pursuit of aesthetic research seems not to be contemplated by the requirements set forth by the Term Directive and further interpreted by the CJEU, especially in *Infopaq* and *Painer*, it can certainly be inferred from such rulings, that the conceptualization that French courts have of the originally requirement,

<sup>47</sup> See Court of Appeal of Paris 5 May 2000, in RIDA 2001, n. 188, at 352; See Markellou (2013), pp. 369–372.

<sup>48</sup> “[...] *la nature de l’éclairage et de l’angle de prise de vue adoptés pour faire ressortir au mieux les couleurs et les volumes de la sculpture témoignent d’un choix personnel du photographe et portent l’empreinte de sa personnalité*”; See Court of Appeal of Paris 5 May 2000, in RIDA 2001, n. 188, at 352, at 356.

<sup>49</sup> See French Supreme Court (*Cour de Cassation*) of 12 January 1994, n. 91-15718.

<sup>50</sup> See *Cour de Cassation* of 14 November 2000, n. 98-18741.

<sup>51</sup> See TGI Paris, 6 Oct. 2009, RIDA, 2010, no. 226, 506.

<sup>52</sup> *Id.*, at 508; In a similar direction see *Cour de Cassation* 1 March 1988, n. 86-12213, denying protection for shots of a technician.

<sup>53</sup> See *Cour de Cassation*, 20 October 2011, n. 10-21251.



particularly in photographs, is probably higher than that required in other countries.<sup>54</sup>

Interestingly, it is reported that in 2010 a court of first instance excluded from protection a large number of photographs of artworks for auction catalogues, as they lacked originality because “the photographer was not asked to show any emotion, as it is the object for sale that must be put forward (for the auctions) and not the personality of the author of the photograph”.<sup>55</sup> The Court of Appeal of Paris reversed this ruling, giving a different evaluation of the choices operated by the photographer, in particular in relation to the positioning of the objects, the framing, the angles, the use of the shadows and light and the creation of a background.<sup>56</sup>

In conclusion, it seems possible to rule out that the automatic digitisation of books and images falls within the scope of protection of photographic works. This includes situations where a human intervention is present, so long as the human contribution is that of a technician, that is to say where there is no personality of the author because any other technician would have produced the same result. The case of an art object is, as usual, borderline. Not every photograph of a three-dimensional work of art will be protected, but only those photographic works that reveal the personality of the author of the photograph.

### 3.3 Spain

Spanish TRLPI not only grants protection to photographic works as original creations,<sup>57</sup> but also to “mere photographs”, although the distinction is not clearly specified in the Copyright Act, which, slightly tautologically, only establishes that mere photographs are those *not* protected by Art. 10.<sup>58</sup>

According to the Supreme Court, the distinction between a photographic work and a mere photograph lies in the existence of some “creative relevance” that could satisfy the standard of an “original creation” bearing the personality of the author.<sup>59</sup> Analogously, it has been held that the circumstance that the author incorporates into

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<sup>54</sup> Confront this standard with the one employed by the Patent County Court in *Temple Island Collections Ltd v. New English Teas Ltd*, [2012] EWPC 1, discussed below. See also case C 5/08 *Infopaq International v. Danske Dagblades Forening* (CJEU) of 2009, ECLI:EU:C:2009:465.

<sup>55</sup> See High Court of First Instance of Paris, 30 November 2010, No. 09/04437 cited in Spitz (2015), p. 15.

<sup>56</sup> See Court of Appeal of Paris, decision of 26 June 2013, No. 10/24329, cited in Spitz (2015), p. 15.

<sup>57</sup> See Art. 10(1)(h) TRLPI.

<sup>58</sup> See Art. 128 TRLPI.

<sup>59</sup> See Spanish Supreme Court (*Tribunal Supremo*), 5 April 2011, n. 214/2011, which denied protection to photographs of food products taken for a food catalogue arguing that they lack the minimal amount of creativity required to meet the standard of “original creation”: in “the technique of “painting with light” which is very common in professional food catalogue professional photographers do not meet the standards of creativity and originality, and therefore the available protection is that of “mere photographs”; See also *Tribunal Supremo*, 24 June 2004, n. 542/2004.

the work “the product of his intelligence”, an act of very personal character, leads to the creation of a photographic work.<sup>60</sup>

On the other hand, courts have denied the qualification of photographic works to some photos published as part of an encyclopaedia, because the fact that photographs are taken with technical precision is irrelevant to qualifying them as photographic works “*por muy complejo que haya sido el procedimiento de obtención del ejemplar fotografiado*”, though they were accorded protection as “mere photographs”.<sup>61</sup> Interesting to note in this case, is that in order to capture the photograph, aspects such as the selection of the lenses, lighting, use of the right combination of filters, adjustment of the tripod and selection of the diaphragm were considered mere technical activities not personal enough to consider the photograph as the “daughter of the intelligence, ingenuity and inventiveness of a person”.<sup>62</sup> Nevertheless, choosing the light, angle and frame of the photo can qualify photographs as works as long as “they are the result of their author’s intelligence and not a mere reproduction of an image”.<sup>63</sup>

Mere photographs enjoy the exclusive right of reproduction, distribution and communication to the public on the same terms accorded to the authors of photographic works with one major exception: protection lasts only 25 years from production.<sup>64</sup> In principle, no moral rights are granted to the maker of a mere photograph.<sup>65</sup> Interestingly, the Act does not mention the right of adaptation within those granted by Art. 128, which has led courts to deny the existence of this prerogative to makers of mere photographs.<sup>66</sup>

Acts of digitisation seem excluded from the protection afforded by photographic works in cases where it is not possible to identify the author’s personality. This is

<sup>60</sup> See Spanish Supreme Court (*Tribunal Supremo*), 29 March 1996, n. STS 7969/1996 (ECLI:ES:TS:1996:7969).

<sup>61</sup> See Court of Appeal of Barcelona (*Audiencia Provincial*) of 29 July 2005, n. SAP B 7715/2005 (ECLI:ES:APB:2005:7715) [Enciclopedia Catalana]. In the same sense, other rulings by the same court: Court of Appeal of Barcelona 20 December 2004, n. SAP B 15228/2004 (ECLI:ES:APB:2004:15228) [El Mundo de los Insectos] denying copyright protection to some photos of butterflies regardless of the technical effort and precision (lighting, angle, etc.) involved in taking them. Similarly, denying moral rights protection to mere photographs done by a freelance photographer for a newspaper, see Spanish Supreme Court 31 December 2002, n. STS 8943/2002 (ECLI:ES:TS:2002:8943) [Diario ABC].

<sup>62</sup> See Spanish Supreme Court (*Tribunal Supremo*), 7 June 1995, n. STS 3284/1995 (ECLI:ES:TS:1995:3284).

<sup>63</sup> See Court of Appeal of Barcelona (*Audiencia Provincial*), September 10, 2003, n. SAP B 4681/2003 (ECLI:ES:APB:2003:4681) [Cabo de Creus]. In this case, the photos had been published by a newspaper without mentioning the name of the author (a well-known professional who had received several distinctions and awards for his professional work and had also published a manual on photography).

<sup>64</sup> See Art. 128 TRLPI.

<sup>65</sup> See Spanish Supreme Court 31 December 2002, n. STS 8943/2002 (ECLI:ES:TS:2002:8943) [Diario ABC] denying any infringement for the publication of some mere photographs without mentioning the author’s name.

<sup>66</sup> See Bercovitz A., Bercovitz G., Corral M., Spain, in Geller and Bently (2013), cit. 9[1][a][v]; Xalabarder R., in Hilty and Nérissou (2012), p. 930.

certainly the case in processes of digitisation of texts and images that are largely automated or semi-automated. In the case of objects, once again, it must be established on a case-by-case basis whether the personality of the author is present in the photograph, which seems to be an unlikely outcome when the result sought is to document, not reinterpret, the reality. The protection granted by Art. 128 seems to be available in the latter case, *i.e.*, photographs of three-dimensional objects which usually require some basic, technical, and usually *not* creative decision. Nevertheless, the automated or semi-automated digitisation of books, images and objects seems to fall outside the scope of mere photographs in that only an act of (digital) reproduction occurs.

Some supporting guidance on the latter aspect may perhaps be found in a case dealing with the different issue of the reproduction of a (literary) work in the public domain, which, under Spanish law, is potentially protected by a related right on typographical arrangements of public domain works.<sup>67</sup> In that case, the Court considered only whether or not the new edition had enough “singularities” to qualify for protection and concluded in the negative sense. The court ruled that the “mere reproduction of a work in the public domain, despite being technically perfect and sophisticated, did not have any singularity that could make the publication distinguishable from others”.<sup>68</sup>

### 3.4 Italy

Until 1979, the current Italian Copyright Act protected photographs only by way of a related right whose term of protection was set to 20 years from creation (or 40 years in cases of photographs of figurative art and of architectural works).<sup>69</sup> Nevertheless, even before the explicit inclusion of photographs as protected subject matter, scholars argued that when general requisites of copyright protection were present, photographs could be considered as artistic works.<sup>70</sup>

Following the 1979 reform, Art. 2 n. 7 afforded protection to photographic works and works realised with processes that can be assimilated to photography, except in the case of “simple photographs” which are specifically regulated by Art. 87.

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<sup>67</sup> See Art. 129.2 TRLPI. This aspect has been suggested by the Spanish correspondent prof. Raquel Xalabarder.

<sup>68</sup> See Commercial Court of Madrid (*Juzgado de lo Mercantil*) of 14 June 2005, n. AC/20051078 [*Libro de Horas de Carlos V*].

<sup>69</sup> See Law (Decree of the President of the Republic, *d.p.r.*) 8 January 1979, n.19 amending the Italian Copyright Act. At the basis of the reform there was the consideration that the term of protection of 20 years (instead of the 25 year term mandated by Berne) and the absence of moral rights recognition was not in full compliance with Italy’s international obligations; See generally Autieri et al. (2012), p. 568. Under the old Copyright Act of 1865 photographs were not protected until a 1925 legislative reform that recognised them as a copyright subject matter, but limited their protection to 20 years; See Marchetti and Ubertaini (2012), p. 1338.

<sup>70</sup> See Marchetti and Ubertaini (2012), p. 1338.

In accordance with the current legal framework, original photographic works attracting full copyright are those which incorporate the personality of the author as manifested through elements such as the choice and the combination of visual effects, or the composition of the object of the picture.<sup>71</sup> Creativity, it has been argued, can also be present in the “sensitivity of the photographer who is able to catch the moment in which the reality manifests itself” in unique images, which, once fixed on/in film, can be enjoyed by the public.<sup>72</sup>

In the literature, especially in the past, it was argued that in order to qualify for copyright protection photographs needed to possess an evident creative contribution of the author. Similarly, courts interpreted the creative requirement in the sense of a particularly high level of originality.<sup>73</sup> More recently, however, both the literature and case law seem to have adopted a different approach whereby the originality threshold of photographs is aligned with that of other subject matter.<sup>74</sup> This approach seems in line with EU law and recent CJEU case law.<sup>75</sup>

The Italian Copyright Act also affords specific protection to non-original photographs or “simple photographs”. Accordingly, Article 87 establishes that the images of persons or aspects, elements or events of natural or social life obtained by photographic or analogous processes, including reproductions of works of figurative art and photograms of cinematographic film, shall be protected by a right related to copyright. This right lasts 20 years from the date of production and grants the maker of the photograph the right of reproduction and distribution and, most likely, the right of adaptation; moral rights, however, are not explicitly recognised.<sup>76</sup>

The form of protection under scrutiny focuses on the technical competence of the operator who realises the photographs and his ability to capture the moment represented in the picture.<sup>77</sup> Consequently, the requirement for this peculiar form of protection is the special “technical know-how” of the photographer, which must be kept distinct from the original personal interpretation of the author.<sup>78</sup>

Nonetheless, if photographs are intended to merely reproduce existing objects or documents, they will not benefit from any form of protection. This can be inferred from the second part of Art. 87, which establishes that photographs of writings, documents, business papers, material objects, technical designs and similar products

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<sup>71</sup> Id.

<sup>72</sup> Id.

<sup>73</sup> See Greco and Vercellone (1974), p. 385; Fabiani (1969), p. 529, Court of first instance of Florence (Trib. Firenze), 16 February 1994, in Dir. Aut., n. 3, 1994, 480.

<sup>74</sup> See Autieri et al. (2012), cit., p. 568; Marchetti and Ubertazzi (2012), cit., p. 1338.

<sup>75</sup> See above Part 1.

<sup>76</sup> See Marchetti and Ubertazzi (2012), cit., p. 1662.

<sup>77</sup> See Ubertazzi (1998), p. 50. In case law, Court of first instance of Milan (*Tribunale Milano*) 9 November 2000, in AIDA, 2002, 831; Court of first instance of Rome (*Trib. Roma*), 24 February 1998, in Dir. Inf., 1998, 793.

<sup>78</sup> See Court of first instance of Milan (*Tribunale di Milano*), specialized section in intellectual property, of 11 October 2006, in IDA 08, 83 (holding that the photograph of a famous artist during a performance does not contain the personal input of the author).

are not protected. Therefore, provided that photographs only perform a pure documentation function, protection is excluded. Yet, according to the Italian Supreme Court, it is just the “documentation purposes” that are excluded from the scope of protection of simple photographs and consequently, so long as photographs pursue objectives other than documentation, they qualify for protection even if they reproduce material objects.<sup>79</sup> The *ratio* of the norm is to deny protection in cases of mere reproductive photographs of material objects that are intended to merely “document” the object without an appreciable effort of the technical and professional abilities of the photographer and of his inventiveness”.<sup>80</sup>

Art. 90 establishes specific conditions in order to enjoy the protection afforded by the related right. Accordingly, simple photographs must indicate the name of the photographer (or of the employer/commissioner), the year of production and the name of the photographed work of art.<sup>81</sup> These conditions are not constitutive of the right, but are required in order to make the remedy readily available to the plaintiff: their absence will permit unauthorized reproductions, including in the absence of fair compensation provided for in the remainder of the Act, unless the photographer can prove bad faith on behalf of the reproducer.

In conclusion, it can be argued that acts of automated digitisations are excluded from the protection granted to photographic works and to other photographs. Only photographs that show the personal input of the author can be protected by copyright. When the input of the photographer reveals his technical know-how but fails to reach the more demanding threshold of a personal stamp, non-original photograph protection may be available, but only under the conditions outlined above.

### 3.5 Poland

Polish legislation recognises protection to photographic works which are explicitly listed in Art. 1.2 n.3 of the Polish Copyright Act; no special protection is available for non-original photographs.

In a 1998 decision,<sup>82</sup> the Polish Supreme Court evaluated the originality of photographs comprised in museum collections and realised by an employee whose assigned task was to gather “photographic documentation of [the] museum’s objects”. The court ruled that the photographs were not original, arguing that the employee was instructed to prepare representations of the collection not in a

<sup>79</sup> See Italian Supreme Court (*Corte di Cassazione*) 21 giugno 2000, n 8425, in AIDA 2000.

<sup>80</sup> Id. According to a different approach the second paragraph of art. 87 excludes from protection all mechanical reproductions of material objects; See Sarti (2000), pp. 611–615. Yet another approach suggested that the mechanical process would generally exclude any exclusive right; See, Court of first instance of Milan (*Trib. Milano*), 7 September 2000, in AIDA 2001, 565.

<sup>81</sup> In the case of a photograph of a work of art, although the Act remains silent at this regard.

<sup>82</sup> Polish Supreme Court, 26 June 1998, I PKN 196/98, (reported and translated by the Polish national reporter).

creative, but in a “reproductive” way, that is to say “only the art of the painter was meant to be visible, not the art of the photographer”.<sup>83</sup>

The decision, while representing an important precedent in the field of photographic works objectively representing reality, attracted some criticism. It is reported that the court based its reasoning on the content of the agreement reached by the two parties, which may of course be used to determine the fate of negotiable copyright elements (*e.g.*, transfer or reservation of rights, joint ownership, specific monetary compensations), but cannot be used to determine whether a work of authorship has been created.<sup>84</sup> The latter condition should transcend the intention of the party or parties involved in the creative process and focus only on the original creative result.<sup>85</sup>

In another case, a photograph of a painting was considered not copyrightable since it merely reproduced “a defined set of colours without any alterations in their internal characteristics”. In the opinion of the court, only a photograph susceptible of being “treated as an interpretation” of the painting could constitute a “creative activity” and therefore be protected by copyright.<sup>86</sup>

In the light of the above, it seems that acts of digitisation of texts and images are certainly outside the scope of photographic works, since “only the art of the original author and not that of the photographer” should be visible. The same conclusion seems to hold true for the digitisation of objects in cases where the digitisation produces a mere digital reproduction of the object. Nevertheless, it must be kept in mind that the level of originality should not be mistakenly placed at too high a standard: the free and creative choices of a creative photographer, which must be assessed on a case-by-case basis, could, especially in cases of “artistic” photography of artworks, be considered authorial.

### 3.6 UK

The CDPA defines photographic works as recordings of light or other radiation on any medium on which an image is produced or from which an image may by any means be produced, and which is not part of a film.<sup>87</sup> The CDPA does not offer explicit protection to non-original photographs.

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<sup>83</sup> Id.

<sup>84</sup> While this criticism is certainly correct, it must also be noted that often—and in particular in difficult cases—Courts look at any possible factual basis in order to determine whether the results of the efforts of the photographer possess any additional creativity. Therefore, it is plausible that the intention of the author is evaluated as an historical antecedent that contributed to the achievement of said result; See Barta J., Markiewicz R., Poland, in Geller and Bently (2013), cit. at 2[3].

<sup>85</sup> Id.

<sup>86</sup> See Court of Appeal, Warsaw, July 5, 1995, I Acr 453/95, reported in Barta J., Markiewicz R., Poland, in Geller and Bently (2013), cit. at 2[3].

<sup>87</sup> See Sec. 4(2) CDPA.

As seen above, Art. 6 of the Term Directive allows Member States to provide protection for “other photographs”, meaning photographs that are not the author’s own intellectual creation. However, nothing is said as to the type of protection that MS are allowed to provide for non-original photographs.<sup>88</sup> The logical conclusion would be that an interested MS should devise a special form of protection, or, in any case, a form of protection different from that granted to original photographs (*i.e.*, copyright). However, the Directive does not clearly state this, and it has been argued that non-original photographs can be protected by standard copyright.<sup>89</sup>

As it has been noted, the better view is that the “protection of other photographs must be by means of a related right rather than copyright”, which means that non-original photographs are not protected under UK law.<sup>90</sup> However, this point is not completely settled. Accordingly, it cannot entirely be discarded the eventuality that UK law protects both “EU original” photographs in light of the first part of Art. 6 Term Directive and “UK original” (*i.e.*, the traditional skill, judgement and labour) photographs in light of the last part of Art. 6 by the same tool: copyright.<sup>91</sup> Whereas acceptable on a purely theoretical level, this hypothesis is not currently supported by any case law, nor by the dominant literature.<sup>92</sup> For example, in *Temple Island Collections Ltd v. New English Teas Ltd* it was held that an image of a London double-decker bus was original in the European sense.<sup>93</sup> The Court, in its reasoning, acknowledged the harmonising effects of both *Infopaq* and *Painer*<sup>94</sup> and borrowed the view of the Austrian Supreme Court decision in which it recognised (EU) originality in most amateur photographs.<sup>95</sup>

In dealing with the digitisation of works of art under UK law, a reference to the “*Graves’ case*” cannot be omitted. The case refers to the concept of originality in photographs of works of art under the old Copyright Act of 1862. Against a claim

<sup>88</sup> See Article 6 and Recital 16 Term Directive which indicate that no criteria other than that of “the author’s own intellectual creation reflecting his personality” can be applied to determining protection of photographic works, and aspects such as merit or purpose are explicitly excluded. On the other hand, the protection of other photographs is left to national law.

<sup>89</sup> See Walter and von Lewinski (2010), at 8.6.12.

<sup>90</sup> Bently and Sherman (2014), *cit.*, p. 112.

<sup>91</sup> See Bently and Sherman (2014), p. 108, also hypothetically admitting, but not supporting, the possibility that the old British originality standard can in fact survive—with the exception of databases—since it does not only protect original works, but also, in the light of the low standard, against unfair competition, which could be preserved also in areas of EU harmonisation.

<sup>92</sup> See Cornish et al. (2013), *cit.*, p. 444; Bently and Sherman (2014), p. 108.

<sup>93</sup> See *Temple Island Collections Ltd. v. New English Teas Ltd.*, [2012] EWPCC 1.

<sup>94</sup> “At trial it was common ground that the impact of European Union law meant that the judgment of the CJEU in the *Infopaq* case (C-5/08 [2010] FSR 20) was such that copyright may subsist in a photograph if it is the author’s own “intellectual creation”. After trial it was also common ground that the recent judgement of the CJEU in the *Painer* case (C-145/10, 1st December 2011) was to the same effect and did not necessitate further submissions from the parties”, See *Temple Island Collections Ltd. v. New English Teas Ltd.*, [2012] EWPCC 1, at 18. See Rosati (2011), pp. 795–817.

<sup>95</sup> See Austrian Supreme Court (OGH), decision of 16 December 2003, n. 4 Ob 221/03h [Weinatlus].



that such photographs cannot be considered original as they represent a copy of an already existing work, the Court replied that all photographs are copies of some object, yet they can still be original.<sup>96</sup> Subsequently, the *Graves' Case*, or more correctly its proper interpretation, was at the centre of the 1998 case *Bridgeman I* where a US court had to decide whether, under UK law, a photograph of a work of art was protected.<sup>97</sup> The US court denied protection to the photograph, a decision that attracted much criticism and a lively scholarly debate supporting one or the other position.<sup>98</sup>

Similarly, in *Reject Shop*,<sup>99</sup> a case discussing enlarged photocopies' status, Leggatt L.J. observed that:

The photocopying ... did not result in a depiction substantially different from the drawings themselves. He devoted to the copying ... no such skill and labour as conferred originality of an artistic character. The process was wholly mechanical and there is nothing to suggest that enlargement was for any purpose of that kind. There was, in short, no evidence before the magistrate of the exercise in the production of what he called the "distorted photocopies" of any relevant skill and labour whatever. It follows that the final images were not original works and so no copyright could subsist in them.<sup>100</sup>

Likewise, in *Antiquesportfolio.com*,<sup>101</sup> Neuberger J., holding in favour of the copyrightability of photographs of three-dimensional objects when enough skill is involved,<sup>102</sup> admits that photographs of two-dimensional items represent a hard case:

The only possible difference ... might be said to arise in the case of a purely representational photograph of a two-dimensional object such as a photograph or a painting<sup>103</sup>

Nevertheless, as Neuberger J. points out, it may well be the case that, if the photographer could show some degree of skill and care in taking the photograph, he

<sup>96</sup> For a detailed account of the case see Deazley (2010), pp. 292–331, 3, 293–331, citing the *Graves' Case* [1868–69] L.R. 4 Q.B. 715 at 723.

<sup>97</sup> See *The Bridgeman Art Library Ltd. v. Corel Corporation*, 36 F. Supp. 2d 191 (SDNY) 1999 (There are two judgements: On November 13 1998 Kaplan J. granted the defendant's motion for a summary dismissal on the basis of UK law. The plaintiff successfully moved for reconsideration and re-argument. On 26 February 1999 Kaplan J. granted again summary dismissal of the case on the basis of US law).

<sup>98</sup> See Deazley (2010), cit., p. 309. The interpretation given by the US Court to UK law is considered "probably wrong" by Cornish et al. (2013), cit., p. 444; See Garnett (2000), p. 229; Deazley (2001), p. 179; Stokes (2008), p. 272; Perry (2003), p. 696.

<sup>99</sup> *The Reject Shop Plc v Rober Manners* [1995] F. S.R. 870, 876.

<sup>100</sup> Id. See also Michalos (2004), pp. 3-019–3-020.

<sup>101</sup> *Antiquesportfolio.com Plc v Rodney Fitch & Co Ltd.* [2001] E.C.D.R. 5.

<sup>102</sup> Such as for instance "in the positioning of the object (unless it is a sphere), the angle at which it is taken, the lighting and the focus", in "the instant photographs appear to have been taken with a view to exhibiting particular qualities, including the colour (in the case of some items), their features (e.g. the glaze in pottery) and, in the case of almost all the items, the details" or in the choice "of the particular item in order to find a typical example of a certain type of artefact, or a particularly fine example of a certain type of artefact"; id., at 33–36.

<sup>103</sup> Id., at 31.

could claim originality in a photograph of a two-dimensional item.<sup>104</sup> The Court stressed that English authority on the issue (*i.e.*, photographs of 2D and 3D works) was not of much assistance.

The better view is in all probability that a picture of a work of art, including a painting, cannot be excluded *a priori* from copyright protection simply because the object photographed is not created or staged by the photographer. The deciding factor should be whether “taking the photograph leaves ample room for individual arrangements” such as motives, visual angles and lighting,<sup>105</sup> that is to say, to free and creative choices that can “embellish” the result.<sup>106</sup> Of course, the fact that the object of the photograph is fixed and pre-existing, such as in the case of an object of art or a painting, instead of being created by the photographer, reduces considerably the space for such arrangements, but does not by itself exclude completely such a possibility.<sup>107</sup> In these cases, the court should verify whether the photographer was able to make creative choices (or even to put the stamp of their personality on the photograph) in the act of taking the picture and eventually in its post-production, or, on the contrary, whether it represents only a mere reproduction or a slavish copy.<sup>108</sup>

Accordingly, it is to be excluded that mere acts of digitisation of text and images, which usually are based on automated or semi-automated processes, can give rise to new rights. This seems correct under the EU originality standard and most likely also under the “old” skill, judgement and labour standard, although in the latter case the tests to be applied may differ. With objects of art, considerations outlined in the previous paragraph apply.

### 3.7 The Netherlands

Photographic works are protected by the Dutch Copyright Act, which, however, does not offer specific protection to non-original photographs. Photographic works, therefore are protected if they possess an original character and bear the personal stamp of the author. Accordingly, a photograph of a painting featuring the skills but lacking the creativity of the photographer would not produce an original work.<sup>109</sup>

However, such original character and personal stamp should not be reason to believe that the threshold of originality is particularly high, as a recent district Court decision finding sufficient originality in a picture of three shrimps on a plate seems

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<sup>104</sup> *Id.*, at 33.

<sup>105</sup> See *Temple Island Collections Ltd. v. New English Teas Ltd.*, [2012] EWPCC 1, at 20.

<sup>106</sup> See *Interlego AG v Tyco Industries Inc.* [1988] 3 All E.R. 949 at 972.

<sup>107</sup> “Ultimately however the composition of the image can be the product of the skill and labour (or intellectual creation) of a photographer and it seems to me that skill and labour/intellectual creation directed to that end can give rise to copyright”; *id.*, at 27.

<sup>108</sup> See in this sense *Nimmer and Nimmer* (2014), at 2.08[E][1] and [2].

<sup>109</sup> *Spoor et al.* (2005), p. 132.

to suggest.<sup>110</sup> Nonetheless, a mere technical photograph (a detail of a spout of a watering can) was found to lack the requisite originality to receive copyright protection.<sup>111</sup> Another example of a photograph lacking original character and a personal stamp is the *Van de Rakt/Chasse Theater* case.<sup>112</sup> In this case, a photograph of a woman lying in the moonlight was almost exactly copied. The minimal differences between the two pictures were found *not* to constitute the result of creative choices but rather of non-original functional requirements (*e.g.*, specific instructions given by the commissioner) and accordingly the second photograph was not a protectable work in its own right.<sup>113</sup>

Again, it seems possible to exclude that any digitisation of images or writings can be considered protectable by copyright. In the case of three-dimensional objects, when the photographer is able to put his or her personal stamp in the photograph protection seems available.

## 4 Conclusions

Over the last two centuries, photography has evolved from an innovative and experimental—but rudimentary—technique, to a skilled craft and finally to an undisputed form of art. Nevertheless, it must be clarified that it is not the technological dimension of photography that affords authorial qualification to its results. The test is always that of an original contribution, one where an author is able to express his or her own free and creative choices. It is self-evident that such free choices are often present in a much more refined and sophisticated form when the technological medium has developed into one that closely resembles current sophisticated photographic apparatuses rather than those of two centuries ago.

Similarly, the photographic (that is to say two-dimensional) reproduction of three-dimensional objects allows for much more space for free and creative choices, since the photographer must decide what to include and what to exclude when moving from three to two dimensions. But this is a mere indication, a rhetorical shortcut, not the real test: the decisive point is always the presence of an author who makes creative choices. When an author is present and creates a work that satisfies the test of the author's own intellectual creation, the outcome is the presence of a work protected by copyright, the medium utilised (or the dimensions involved) notwithstanding. By contrast, when an element of the outer world—a landscape, an object, a document or a work of art—is merely reproduced in order to achieve close-to-perfect adherence to the original, there is little to no space available for free and

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<sup>110</sup> See District Court Limburg, 9 April 2014 (*Goudzwaard v Syzygy*).

<sup>111</sup> Dutch Supreme Court 9 March 1962 (*Vitri*).

<sup>112</sup> Preliminary Court Breda, 8 April 2011 (*Van de Rakt/Chasse Theater*).

<sup>113</sup> Preliminary Court Breda, 8 April 2011 (*Van de Rakt/Chasse Theater*), para. 7.5.

creative choices and, subsequently, for the presence of an author (a photographer) or of a work of authorship (a photographic work).

Regarding the protection available to non-original photographs, it may be concluded that they cover those situations where the maker of the photographic representation puts his or her technical skills in the digitisation activity, but the process does not reach an authorial level. The protection afforded to other photographs, although not harmonised at the EU level, seems to consistently cover that “space” that lies between a creative contribution and a mere technical reproduction. This space can be referred to as ‘the skilled professional—yet unoriginal—contribution’. The related right for non-original photographs can certainly find a home here, but crucially not in cases of mere reproductive or documentary photography.

From a policy point of view, it is important to note that, as stated by the High-Level Expert Group on Digital Libraries, what is in the public domain in the physical world should remain in the public domain in the digital one. This is an important statement that should not be object of debate. As shown above, mere acts of digitisation that lack any authorial (or skilful for “other” photographs) contribution should not deserve any form of copyright or copyright-related protection. Copyright law has, among its many important goals, the function of finding a balance between offering the right amount of protection to authors and to their creativity and allowing the public to benefit of such creativity in order to reach public policy goals (a wealthier knowledge society and a more dynamic information economy). Accepting that non authorial (or skilful where applicable) acts can trigger additional forms of protection over works that have already entered the public domain is a dangerous attempt to alter this delicate balance. An attempt that has not been supported by any sound empirical evidence.

Finally, while the protection of non-original photographs can be explained from an historical point of view its survival in the modern copyright realm cannot be easily justified. Certainly, a convincing case for the need to protect the investment that non-original photographers put in their products has not been made, chiefly in the Term Directive. In the light of the full harmonisation of the concept of originality in the EU, the survival of such a peculiar form of protection, rather than an element of flexibility for Member States, appears like a relic of a time when originality and copyright were a matter of national instead of Union law.

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**Part III**  
**Copyright, Technology and the Future**



# Copyright in the Age of Access



Brian Fitzgerald

## 1 Introduction: The Digital Challenge

Twenty years ago it seemed obvious that copyright law and practice would be revolutionised by the internet. The power of the network and its worldwide audience appeared unstoppable. What ensued were many years of posturing and litigation as the old faced off against the new. However the rise of Google as a vital component of our information infrastructure in the first decade of the new millennium opened our eyes to innovative and remunerative business models underpinned by forward-looking judicial interpretations of copyright law. The game was changing. It appeared as though John Perry Barlow's mantra that "everything we know about IP is wrong" and "information wants to be free" was getting closer to reality.<sup>1</sup> Today it seems like we have reached a point where copyright law and practice has undergone fundamental change and we are being challenged to understand the ramifications this will have on traditional and non-traditional copyright industries. Let me explain.

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<sup>1</sup>Barlow (1994). Barlow credits Stewart Brand as author of the phrase "information wants to be free".

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## 2 A Revenue Model Based on Access Not Control

From afar it appears as though the revenue game that underpins copyright has changed from one where the owner of copyright controls access to material through permission and pricing/payment to one where:

- (a) an intermediary (and possibly an owner) makes copyright material (in whole or part) available for access
- (b) (in many of the intermediary cases) without upfront permission or payment<sup>2</sup>
- (c) and seeks to monetise access.

The traditional model developed for the analog world we could call the “control” revenue model and the newer model developed (if not before) for the networked digital age we could call the “access based” revenue model. The control model regulates access through permission and pricing/payment while the access based model seeks to promote the broadest possible access to content in order to increase the potential for revenue based on access. The typical control model transaction is where A goes to the store and purchases a film for home viewing while the typical access based model activity is where B views copyright content on YouTube and B’s access is monetised by YouTube/Google through advertisements and other mechanisms.

Among traditional copyright industries (e.g. publishing, recording and film) the goal still seems to be to employ the control model as the dominant mode of distribution as in their eyes it is the most effective way to secure income. On the other hand internet intermediaries—who I have termed “access corporations”—such as Google provide services that promote access to other people’s content as the basis for revenue generation. Access corporations lead by Google have been successful in underpinning their business model with:

- (a) US court decisions that legitimate their actions according to copyright law on fair use and safe harbours<sup>3</sup>; and
- (b) the acquiescence/agreement/partnership of copyright owners.

Some copyright owners, for example Getty Images<sup>4</sup> in their Embed initiative, have embraced the access based model by releasing copyright content<sup>5</sup> for reuse with their permission (in Getty’s case for non-commercial use) and no requirement

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<sup>2</sup>In some instances permission/licensing and payment may occur at a later point. An example of this would be where the copyright owner and intermediary partner through an agreement for revenue sharing.

<sup>3</sup>See *Copyright Act 1976 (USA)*, ss 107, 512.

<sup>4</sup>According to the Getty Images Terms of Use all content: “is owned by Getty Images, its licensors or its third-party image partners”: <http://www.gettyimages.com.au/company/terms>.

<sup>5</sup>In this case 66 million images. On the Getty Images Embed project and terms of use see: <http://www.gettyimages.com.au/resources/embed>.

of an upfront fee or payment.<sup>6</sup> In this model the permission is given to the entire world in advance with no need or requirement to double check with the copyright owner.

### 3 The Business Case for Access Based Revenue

From the outside it appears as though traditional copyright industries remain suspicious of the value of the internet and continue to equate fee-free access with piracy.<sup>7</sup> In the meantime, new age access corporations reap in the great rewards of access with the full support of the law. In many cases the access corporations rely on the content owned by traditional copyright industries to generate access to content and thereby revenue. The irony is obvious.

Initially traditional copyright industries argued that the internet did or would undermine their survival, while more recent studies have suggested that traditional industries have found ways to grow revenue by leveraging off the internet.<sup>8</sup> In some cases traditional industries have acquiesced or partnered with access corporations to reap the rewards of access to their materials.<sup>9</sup>

If access is now the biggest pay cheque in town (and this is open for debate) then we must ask whether the traditional copyright industries are at risk of becoming the biggest losers. There is no doubt that content owners have moved to accept that some of their income will be made up of access based revenue passed on to them by an access corporation. But there is little evidence that they see access as the primary or dominant method of generating revenue. There are some exceptions like Getty Images Embed project but this of limited scope and is still in its infancy.

If access corporations can generate such enormous wealth by relying on other people's content and have this legitimated by court decisions, for example Google Search (pro-actively caching the web), Google Books and YouTube, then we, including the traditional copyright industries, must learn a lot more about how access is monetised and what it means to have a fair share of the income. There have been a number of articles in the popular press in recent times about entities (e.g. the music industry) arguing for a bigger share of the access based revenue.<sup>10</sup> These cases highlight the plight of the traditional industries in a business world that has been transforming around them.

One wonders whether the apparent inability of traditional copyright industries to appreciate and investigate the value of access based revenue as a primary method of

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<sup>6</sup>For an overview of this project see Laurent (2014) and Walker (2014). On the concerns raised about this initiative see Vollmer (2014).

<sup>7</sup>While some might like to think that access based models are no more than piracy in new clothing one key difference is that some of the most successful examples are authorised by law.

<sup>8</sup>See for example IFPI (2016).

<sup>9</sup>On this topic see Google (2016).

<sup>10</sup>See for example: Sisario (2016) and Davidson (2016).

income is leading to sub optimal outcomes. Access corporations now have a wide scope to use other people's content to generate access based revenue under US law so as things stand they grow stronger and wealthier on the basis of amongst other things traditional industries' copyright.<sup>11</sup>

## 4 The Legal Foundation of Access Based Revenue

Integral to the increasing power that access corporations hold over the way copyright material is distributed and monetized is the legislation and case law that has underpinned and sponsored their core activities. In confirming key services of access corporations as lawful fair use judgments in the US have gone far beyond what could have been imagined before the digital era—namely allowing [without upfront permission] the caching of the web,<sup>12</sup> digitising of millions of books in major US libraries<sup>13</sup> and use of images in search results.<sup>14</sup> These court decisions do not mean that all of this content can be communicated to the public in original form by in these cases Google but Google does not need to communicate any more than search results, snippet view and thumb nail sketches to power its access model. It only needs the ability to use (reproduce) all of the content “in house” to underpin successful revenue streams generated from communicating smaller parts e.g. search results or inferior versions e.g. low resolution thumb nail sketches, and the courts say this is legal.<sup>15</sup>

We also need to keep in mind that YouTube has been legitimised (in large part) by the safe harbour provisions of the US Copyright Act<sup>16</sup> and this gives Google the power to monetise substantial amounts of music and video material until it has to take it down. Some copyright owners will acquiesce because they see no value in the material being taken down and others will take up an offer from Google to leave

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<sup>11</sup> According [Statista.com](http://www.statista.com/topics/1001/google/) Google grew its revenue by approximately \$10 billion in each of the 2 years from 2013 to 2015: <http://www.statista.com/topics/1001/google/>.

<sup>12</sup> *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006). See also the DMCA safe harbour protection provided for under s 512 (b) *Copyright Act 1976 (USA)*: *Parker v. Google, Inc.* 422 F. Supp. 2d 492 (E.D. Pa. 2006).

<sup>13</sup> *Authors Guild v. Google, Inc.*, No. 13-4829 (2d Cir. 2015); Writ of Certiorari (15-849) denied by USA Supreme Court on 18 April 2016.

<sup>14</sup> *Perfect 10, Inc. v. Amazon. com, Inc.*, 508 F. 3d 1146 (9th Cir. 2007); *Kelly v. Arriba-Soft*, 336 F.3d. 811 (9th Cir. 2003).

<sup>15</sup> It seems that Google has been able to use fair use doctrine to lawfully establish an enormous digital repository which it curates, utilizes and controls but does not communicate to the public other than in a limited and modified way such as search results. This raises the question whether such power or exclusivity (built in this case on the back of and in accordance with fair use doctrine) is a key ingredient of an access based model, as well as broader questions of competition and public interest.

<sup>16</sup> *Viacom International Inc. v. YouTube, Inc.* 07 Civ. 2103 (S.D.N.Y. April 18, 2013), See further s 512(c) *Copyright Act 1976 (USA)*.

material up and share some of the revenue. Other owners may demand the material be removed and access denied.<sup>17</sup>

Under the fair use doctrine Google is allowed to use other people's copyright for its business without the need to seek permission or make any payment. In other words it can bypass the control the traditional industries see as so vital to their success. And if you have not understood the significance of what I have said to this point let me explain it in blunt terms. One of the wealthiest companies in the world uses other people's copyright in accordance with fair use law as stated by US courts, without permission or payment, to enormous advantage and impact.<sup>18</sup>

We can add to this the protection offered to Google under the safe harbours to operate YouTube to generate large amounts of access based revenue.<sup>19</sup> Google in essence holds this protection until a copyright owner intervenes to have the material taken down or strikes up a partnership or revenue sharing agreement. This gives Google scope to operate without permission or payment to host other people's copyright on its platform until it is requested to take it down or otherwise put on notice. In this period it has the opportunity to generate traffic and monetise access.<sup>20</sup> In practice Google has developed a variety of mechanisms such as Content ID which assists copyright owners to know about the presence of their material on YouTube and to decide whether they want to manage, monetize or remove the content.<sup>21</sup> In Google's experience content owners are increasingly interested in sharing revenue and it has paid out \$2 billion to copyright owners since the introduction of Content ID. Even though Google is bringing owners in at a point earlier than they may be required to under law Google has safe harbour provisions in its favour. This allows a strong position when cutting deals and the generation of revenue from access that one could imagine goes far beyond what is paid out to owners.

The following Table highlights how entities are engaging in access based revenue models and how this is supported by law. The Table looks at the legal basis of the rights to use the copyright material, the actor involved, the extent of the use allowed and provides some case studies or examples.

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<sup>17</sup> To understand the options available see Google (2016).

<sup>18</sup> From Google's viewpoint they are deserving of this privilege for as courts have highlighted (see for example *Perfect 10, Inc. v. Amazon. com, Inc.*, 508 F. 3d 1146 (9th Cir. 2007)) Google's use of this copyright material adds value or more specifically is transformative in that it gives the copyright material a new capability, purpose or quality. This in turn takes a significant investment of creativity, ingenuity and resources.

<sup>19</sup> *Viacom International Inc. v. YouTube, Inc.* 07 Civ. 2103 (S.D.N.Y. April 18, 2013).

<sup>20</sup> B Sisario reports: "In its newest effort, the music industry has asked the federal government to change the Digital Millennium Copyright Act, saying that the law, known as DMCA – which was passed in 1998 and protects sites like YouTube that host copyrighted material posted by users – is outdated and makes removing unauthorised content too difficult. Cary Sherman, the chief executive of the Recording Industry Association of America, says that even when songs are taken down, they can easily be uploaded again. "This is a new form of piracy," he said. "You don't have to go into dark corners and sell stuff out of your car. You can do it in plain sight and rely on the DMCA to justify that what you're doing is perfectly legal.": Sisario (2016).

<sup>21</sup> See further Google (2016).

## Access Based Revenue Model: Approaches

Legal basis for authority to use copyright material	Type of actor	Scope of authority to use copyright material	Examples/Case studies
Fair use	Intermediary	No permission and no payment required. Reuse for commercial and non-commercial purposes of all or a limited amount of the material depending on the type and amount of use, e.g. in house storage/ reproduction of the whole; communication to the public of snippets or small amounts	Google Books Google image search Google caching web <sup>a</sup>
Safe harbours	Intermediary	In cases where notice or complicity is not present—no permission and no payment needed to for example host copyright material up until the law requires material to be taken down	YouTube
Opt In/ Agreement	Owner and intermediary	Permission to reuse on the terms of the agreement	Google partnership
Voluntary permission (in advance)	Owner (or those with owner's permission to do so)	Permission to reuse on conditions in licence—could be limited to non-commercial use like Getty Images or broader under for example creative commons by licence <sup>b</sup>	Getty Images—Embed

<sup>a</sup>It has been argued that this type of activity can also be supported on grounds such as lack of violation, implied licence and the DMCA safe harbour embodied in s 512 (b) *Copyright Act 1976* (USA): see *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006); *Parker v. Google, Inc.* 422 F. Supp. 2d 492 (E.D. Pa. 2006)

<sup>b</sup>See further Creative Commons <https://creativecommons.org/>

## 5 The Way Forward

What the traditional copyright industries have to do is cut better deals with the access corporations and this can only be done with proper research and the full realisation that the access based model is not only the real deal but it is most likely the best deal. They could also explore ways to create their own access based projects like Getty Images.<sup>22</sup> First and foremost they need to understand the clock has started

<sup>22</sup>Craig Peters Senior Vice President of Business Development at Getty Images explains the value proposition of the initiative as follows: “First, there will be attribution around that image ... Second, all of the images will link back to our site and directly to the image’s details page. So anybody who has a valid commercial need for that image will be able to license it from our website. Third, since all the images are served by Getty Images, we’ll have access to the information on who is using and viewing that image and how, and we’ll reserve the right to utilise that data to the benefit of our business. ... We reserve the right to monetise that footprint.” Reported in Laurent (2014).

ticking and that as each day goes by an uninformed suspicion of access models and allegiance to control models put them at risk of missing out on revenue.<sup>23</sup> They also need to appreciate that access based revenue models underpin some of the wealthiest companies in the world.<sup>24</sup> For anyone wanting to be in the copyright content business in the twenty-first century the rise and inner workings of the access based model require detailed examination and a more nuanced strategy.

## 6 Changing Mindset: Client Advice

The message is not only directed at copyright owners but also their legal advisors. A scenario mentioned often is where a copyright owner (the client) consults a lawyer asking what they can do about their copyright material being used on a website without permission. The lawyer asks what outcome do you want? The client says they want to protect their copyright from unauthorised exploitation. The lawyer says that what they would normally do in this type of case is seek to have the material removed from the website (through notice and take down under the Copyright Act or otherwise) and then seek to remedy any damage done in an appropriate way.

But what if the lawyer had said to the client: 'Are you happy for your material to stay on the website if you get some of the revenue the site generates? You are thinking of the old model where we control distribution of the copyright and require an upfront payment. What if we let this website distribute the copyright and make it available to a much broader audience but seek to monetize that new avenue of access? What if access becomes a key determinant of your revenue rather than control?' What if the lawyer said: 'Let us ask the website if they will partner with us like Google does with content owners who do not opt out of its services like YouTube.' Could that kind of partnership work? What if we could get a better understanding of how much profit is made from access based revenue models? Now, what would the client think is the best option?<sup>25</sup>

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<sup>23</sup> Some have suggested that subscription services like Pandora or Spotify provide a solution. While they may be seen as a step in the right direction they have an old world mentality both in terms of structuring access (in some of the no payment options) and seeking upfront payment (in the paid subscriptions). To this end they are best seen as interim or supplementary business models but in their current form they could not be conceptualized as a dominant or primary revenue model for content owners in an age of access.

<sup>24</sup> In 2015 Google was reported as having \$74.54 billion in revenue of which \$67.39 billion was from advertising: <http://www.statista.com/topics/1001/google/>.

<sup>25</sup> Senior Vice President Craig Peters in explaining why Getty Images established its Embed project said that as they could not effectively control online infringement they wanted to put in place a legal method that allowed access but also brought benefits to content owners: see Laurent (2014).

## 7 Conclusion: “I Allow Access, You Experience and We Profit”?

From the outset of the internet revolution the difficult question has been how we reconcile the power of digital technology to reproduce and communicate to a worldwide audience in an instant with a copyright industry mindset that sees controlled distribution as the primary method of securing revenue. Some expected that eventually, with the widespread adoption of networked technology, access based business models would win out over (traditional) control based business models. It has taken longer than anticipated but today we are on the verge of seeing whether the access based business model will dominate the copyright area.

My motivation has been to try and solve the riddle: if the technology can now distribute perfect copies to the world in an instant why don't we let it do its job? More so, why don't we let those who have the power and ability to bring the widest possible audience to the work of a creator, author or artist perform that task in a way that is lawful and financially attractive to the copyright owners? The push back continues to be that we just don't know how such a system will work and how much income it will guarantee. Until you can prove the contrary, we will hold on to the notion of controlled distribution at least at the core of our business model. Such an approach, while understandable, is risky. My suggestion is that unless people open their eyes to what is going on around them and be willing to more thoroughly investigate if not adapt to change they could be faced with poorer outcomes.

In 1994 John Perry Barlow's thinking was seen as provocative and out of touch with the real world. While some of his arguments remain problematic the thrust of his message must now be seen as prescient and visionary. I close by rehearsing his words: “In any case, whether you think of yourself as a service provider or a performer, the future protection of your intellectual property will depend on your ability to control your relationship to the market – a relationship which will most likely live and grow over a period of time. The value of that relationship will reside in the quality of performance, the uniqueness of your point of view, the validity of your expertise, its relevance to your market, and, underlying everything, **the ability of that market to access your creative services swiftly, conveniently, and interactively.**”<sup>26</sup>

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<sup>26</sup> Barlow (1994) (emphasis added).



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# The Royalties System and Paratrophic Copyright



Benedict Atkinson

## 1 Introduction

The purpose of this essay is to explain, by discussing the evolution of the copyright royalty system, the paratrophic action of property systems. As will be discussed, a paratrophic system is anti-distributive: that is, it tends to concentrate rather than distribute benefit.<sup>1</sup>

The word paratrophic means ‘deriving sustenance from living organic material.’<sup>2</sup> Adopting the logic of the definition, we can say that if proprietary rights are exercised to compel bargains in the owner’s favour, the exercise of rights is paratrophic. Additionally, if the owner extracts a fee for use, albeit that unremunerated use does not subtract from the owner’s economic welfare, the fee, or bargain which results in a fee, is paratrophic.<sup>3</sup>

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<sup>1</sup>Paratrophic action is subsidiary to the larger question of how property systems function as distributive instruments, and why instrumentally they concentrate ownership unless government establishes means of diffusion (such as norms of representation, transparency and accountability). The larger question is not discussed in this chapter, although discussion of paratrophic action illustrates the tendency of all property systems to concentration.

<sup>2</sup>Paratrophic is a relatively recent word, probably coming into use in the nineteenth century, implying, though distinguishable from, parasitism. It means ‘deriving sustenance from living organic material’ (Stedman’s Medical Dictionary) or ‘obtaining nourishment from living organic matter; parasitic’ (Random House Dictionary). Whereas the parasitic agent is sustained by a host, a paratrophic agent may live separate from whatever it derives sustenance, and derive sustenance from other sources.

<sup>3</sup>As will be discussed in the chapter, the system of feudal dues is an especial manifestation of paratrophic payment.

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Sydney, NSW, Australia

A property system is paratrophic to the extent that entry into bargains for rent or other obligation is compulsory or non-voluntary.<sup>4</sup>

Why use a word borrowed from biology to describe an action akin to parasitism? I want to describe a process that involves transfer of benefit—usually contrary to the wish of the person transferring benefit—from one to another. Property systems instrumentally accrue benefit for owners, or allocate or transfer benefit to owners that might otherwise be available to non-owners. Property systems are responsive instruments, susceptible in particular to policies of polity or government. They are the creation of the polity and the constitutional settlement that creates the polity and its norms.<sup>5</sup> Polity, or specifically, government, is the agent that makes possible, more or less, ownership concentration or diffusion.<sup>6</sup>

Property systems, as shown by paratrophic process, are products of human striving for advantage, involving competition of competing sovereigns, or would-be sovereigns.<sup>7</sup> Instrumentally, they tend to concentrate ownership. Only the countervailing action of the supreme sovereign, be it called constitutional authority, polity or government can change a disposition of proprietary rights that awards exclusive possession of the most to a few.<sup>8</sup>

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<sup>4</sup>The widely accepted policy of contract law is that a person is free, subject to legal prohibition, such as prohibition against fraud or murder, to agree with another person to do or refrain from doing specified acts. The law upholds contracts made in conformity with the law. A valid contract must be—according to theory—the product of autonomy (freedom to choose) and free exercise of will (voluntary decision). In this essay, voluntarism is contrasted with coercion. It should be noted that some scholars have questioned the extent to whether autonomy and voluntarism, as those concepts are conventionally understood, are to varying degrees absent from much contracting. See, e.g., Robertson (2005).

<sup>5</sup>Although the concept of proprietary rights allocation is familiar in economics literature, and Karl Marx asserted that the governing class in any historical period governs by control of the means of production (a term indicating monopoly exercise of proprietary rights), I am not aware of any other writer who has identified the instrumental role of property systems in causing exclusion and inequality. Ronald Dworkin's description of legal rights as 'trumps' is explanatory. See Dworkin (1977), p. 153. Dworkin's theory of rights-as-trumps could be argued to be a theory of the paramount value ascribed by legal systems to private interest (even, it could be inferred, if the private interest is the sovereign in a totalitarian society). In western legal systems, enforceable private rights, typically proprietary, 'trump' public considerations (or perhaps more accurately, considerations of majority benefit): 'rights are best understood as trumps over some background justification for political decisions that states a goal for the community as a whole.' Thus exercising exclusive rights is exclusionary.

<sup>6</sup>The correct function of government, according to Locke, is to uphold property (Locke 1689 at chapter 5 para 42). Cf Marx (1848) chapter 1. Marx saw government as the agent of the power of the owners: 'The history of all hitherto existing society is the history of class struggles.'

<sup>7</sup>Marx *ibid*: 'The history of all hitherto existing society is the history of class struggles.'

<sup>8</sup>Vinogradoff (1924), p. 559: 'History teaches clearly in this case that we have to deal in social life with a conflict of principles, each of which is necessary to human development, but neither of which is entitled to claim absolute superiority over the other. The principle of liberty carried to the extreme produces anarchy; even so State power, suppressing all individual freedom, produces a condition of things, the outcome of which may be emigration, separation, and revolution. ... a compromise has to be effected and the juridical problem consists in settling how far the line of compromise has to be drawn to the Right or to the Left.'

Hard as they try, humans are unable to create an absolutely paratrophic system. If such a system existed, one person would own everything. Power-sharing, legal rights, jurisprudence and other phenomena intended to defend us from paratrophic behaviour continue to protect society from paratrophic actors exercising rights and seeking control. Governments, in their responses to proprietary actors usually try to express a public interest. A substantial part of this chapter focuses on significant commercial disputes involving assertion of copyrights, and their elaboration. As will be seen, governments conciliating industries do not shirk the task of consulting the public interest.

A government, however, may be cognisant of things ulterior to the worldview of industries, and yet embrace paratrophic proposals. The discussion of copyright disputes reveals how governments in the 1920s and 1930s evaluated private and public concerns about copyright policy, and allocated benefit. Ever since, copyright discourse has advertised universal concern for copyright regulation to benefit the public. However, the power of paratrophic action to influence politics and the content of legislation has not changed.

## 2 Evolution of Property Systems

The story of property is a story of possession that begins with language.<sup>9</sup> The language of settled communities, is, in grammatical structure, strongly possessive.<sup>10</sup> Humans, presumably because of native mentality—or perhaps more accurately faculty<sup>11</sup>—organise and assimilate whatever is external by notional possession. Humans seem natively to seek to possess. Our systems of social organisation insist upon possession, and our property systems have been shaped by possessive precepts. In other words, concepts of property are derived from concepts of possessive language.<sup>12</sup>

The human possessive urge is a source of conflict. Unless people are willing to share a thing (unusual) their preference is to possess the thing exclusively, that is, to make property of it. Conflict for possession resulted in political supremacy and

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<sup>9</sup>For a useful exposition on how thought and ideation affect behaviour see Altman (1999).

<sup>10</sup>The distinction between settled and nomadic society is important. Settlement involves husbandry, which leads to rivalrous claims for land, which leads to protection by arms and so on. Property relations accompany settlement and expansion. Possession is critical to social organisation. Land becomes property and territory. Nomadic society is far less possessive. Nomads may assert territorial pre-eminence but they are not inclined towards formal annexation and their language and observation of nature tends to be relational rather than possessive.

<sup>11</sup> See, e.g., Crystal (2008).

<sup>12</sup> See Collins English Dictionary. The word ‘possession’ derives from the Latin verb *possidere* ‘occupy/inhabit/control/seize upon/sit on [strictly sittable]’ and the word ‘property’—via thirteenth century French and Middle English—from the Latin *proprietas* ‘something personal’ and *proprius* ‘one’s own’.

property systems that guaranteed that supremacy by vesting total ownership in the owner-in-chief and surrounding coterie.

The chief dispensed shares of ownership or exclusive possession to the useful and obedient. Naturally, the instrumental trend is towards paratrophic arrangement. Political supremacy does not admit any other, unless the political supremacy is one that admits ideas of distribution or rights and benefit, and allied concepts of freedom to speak and act. Even allowing for the emergence of the democratic system, which has distributive purpose, the tendency remains towards paratrophic behaviour.<sup>13</sup>

As will be seen, the royalties system emerged from government attempts to conciliate industries at war with one another. Government did not ignore public interest but the instrument it instituted to resolve disputes about copyright licensing—the copyright tribunal—favoured the interest of industries not the public.<sup>14</sup>

### 3 Royalties System and Compulsory Recording Licence

The international copyright royalties system began in 1909 when the United States legislature passed a new federal copyright Act, the first since 1831. The 1909 Act<sup>15</sup> provided for compulsory licensing of musical works, meaning that on first recording and publication of a musical work, any person, without consent of the owner of copyright in the musical work, could also record the work.<sup>16</sup> In 1911 the United Kingdom parliament passed a new Copyright Act<sup>17</sup> which provided for compulsory licensing.<sup>18</sup>

The gramophone industry lobbied both legislatures to enact compulsory licences because the new Act vested in composers (or their assigns) the exclusive right to control copying of musical works. Gramophone companies knew the consequence of the new exclusive right: the principal music publishers, who typically made assignment of copyright a pre-condition for publishing works, would prohibit recording of those works, or otherwise license recording at excessively high cost.

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<sup>13</sup> See Piketty (2014).

<sup>14</sup> In 1933, Sir William Owen, Royal Commissioner inquiring into performing rights in 1932–1933 (*Royal Commission on Performing Rights*) made clear that his purpose in proposing in his report on the royal commission the institution of a copyright tribunal was to benefit the public. He asked in his report, ‘Should not the rights of authors, composers and publishers be harmonized with the general interests of the State, to which individual interests should particularly submit themselves?’. See Atkinson (2007), p. 223.

<sup>15</sup> 35 Stat 1075.

<sup>16</sup> Section 1(e).

<sup>17</sup> Geo.6 5(1911) c.46.

<sup>18</sup> Section 19(2).

In 1908, the gramophone industry persuaded delegates at the Berne Union's Berlin amendment conference<sup>19</sup> of the necessity to restrict the scope of the amendment vesting in composers the right to authorise recording and public performance of musical works. Both amendments were critical to shaping the futures of both the music publishing and recording industries.<sup>20</sup> Before the conference most delegates intended to agree amendment to the Convention to provide that composers (authors) could exclusively authorise recording ('adaptation') of musical works and public performance of records fixing their works.<sup>21</sup>

The delegates relaxed the Union's unofficial rule against restriction of authors' rights and added to Article 13 of the Revision Act the statement that, 'Reservations and conditions relating to the application of this Article may be determined by the domestic legislation of each country in so far as it is concerned ...'.<sup>22</sup> Domestic legislatures were permitted to add to copyright legislation provision for statutory licences. Three years later, in the teeth opposition from composers and other authors, and the musical publishers who usually procured the copyrights of successful musicians, British legislators legislated to allow statutory licensing.

Before the 1909 and 1911 legislation, gramophone companies could, without consent of owners of copyright in musical works, record public performances of copyright works and sell the records they produced. Under the legislation, if the record companies, or anyone else, made recordings without the owner's consent they were required to compensate the owner by paying a specified proportion of the sale price for each copy of a record sold.<sup>23</sup> Advocates for the composers, who included Mark Twain (prior to his death in 1908) and George Bernard Shaw, argued that the new legislation deprived the copyright owner of the benefit of copyright, since it removed discretion to refuse recording.<sup>24</sup>

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<sup>19</sup> The Berne Union, the short name for the original secretariat administering the Berne Convention, the United International Bureaux for the Protection of Intellectual Property (BIRPI now incorporated in WIPO), organised periodic conferences to amend the Convention. In 1908, the Union held a revision conference at Berlin which resulted in the Berlin Act of 13 November 1908. This stated the Revised Berne Convention for the Protection of Literary and Artistic Works.

<sup>20</sup> The House of Commons enacted the first public performing right in the 1842 Copyright Act, section XX. The policy of the legislation was to allow dramatists or musical composers, or theatrical impresarios to whom they assigned their rights, to profit from public performance of their works. Legislators contemplated that rights-holders would derive remuneration directly from fees paid by members of the public to watch a performance. See Atkinson (2007), pp. 114–117. Cf the Copyright (Musical Compositions) Act 1882 which provided that to retain the performing right, the copyright owner must publish a reservation notice on the title page of every published sheet music. The 1911 Copyright Act did not mention formalities.

<sup>21</sup> Article 13 Berlin Act.

<sup>22</sup> The sentence continues: 'but the effect of any such reservations and conditions will be strictly limited to the country which has put them in force.' Article 13 Berlin Act.

<sup>23</sup> Section 1(e) of the US Copyright Act 1909 specified a per record royalty of two cents. Section 19(3) of the UK Copyright Act 1911 set the royalty for 2 years after commencement at 2.5% of the cost of each record sold and thereafter, 5%.

<sup>24</sup> See Atkinson (2007) chapter 3.

In the United States, music publishers, who owned a large proportion of musical copyrights pragmatically agreed with the gramophone companies a framework for licensing. They could not do otherwise since the house legislative committee informed Congress that compulsory licensing would prevent cartel.<sup>25</sup> British dominions, including Canada and Australia, passed identical laws. The first legislatively created scheme for payment of royalties, the compulsory recording licence continues to exist. Like other copyright royalty schemes, it is effectuated, as necessary, by government machinery.<sup>26</sup>

## 4 Licence for Public Performance of Musical Works

When legislatures enacted compulsory recording licences in the 5 years before outbreak of the First World War, politicians, publishers and record companies understood that public performance of musical works occurred when singers or orchestras performed at theatres or when public venues played music records to an audience. They did not know that within a decade or more radio stations would broadcast public performances of music to millions of devotees of new kinds of popular music.

Radio broadcasting created a public discourse and popular culture that shaped the opinions and tastes of millions. Music publishers and record companies immediately saw how public performance of records could benefit them. Publishers proposed to impose public performance fees for each radio play of their records. Radio broadcasters refused to pay fees and charged advertisers for messages broadcast to radio listeners.

In 1914, music publishers and some composers in the United States and United Kingdom formed the American Society of Composers, Authors and Publishers (ASCAP) and the Performing Right Society (PRS). The collecting societies responsible for the collective administration of rights assigned or licensed (usually assigned) by music copyright-holders began collecting licence payments for the public performance of music.

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<sup>25</sup> Committee of Patents HR 2222 60th Congress 2nd Ses (also SR 1108 adopting). Concerning cartel fears, see Abrams (2010), pp. 219–220. Before 1909, 87 members of the Music Publishers Association agreed to authorise the Aeolian Company to exclusively manufacture piano rolls of 381, 598 copyright musical works, in return for 10% royalty for each roll sold. These works comprised about 75% of total musical copyrights, and its exclusive licence portfolio established the Aeolian Company as the dominant manufacturer of rolls. By 1909, sales of gramophone records were beginning to eclipse those of piano rolls and pianolas. The piano roll industry was powerful into the 1920s. However, whether the prospective monopolist sold rolls or records, politicians feared that one or two would collude with one or two dominant music publishers to establish supply cartel.

<sup>26</sup> The US Copyright Act 1976 section 801 (b)(1) provides that Copyright Royalty Judges determine the royalty rate by reference to stated criteria.

## 5 Collecting for Public Performance in UK and Dominions

In the early 1920s, the PRS required that the BBC, the UK's monopoly radio broadcaster, pay public performance fees. The BBC resisted as did broadcasters in other countries asked to pay fees for playing music.<sup>27</sup> The collecting societies enforced the public performance action by court injunction and broadcasters and collecting societies fought fiercely over the quantum of fees.

In 1929, the British government introduced, and then dropped, a musical copyright bill that proposed compulsory licensing for broadcasting purposes of the public performance right and payment to the owner of the right of a fixed fee for each public performance.<sup>28</sup> The Commons select committee examining the bill proposed referral of fees' disputes to 'arbitration or some other tribunal.' The committee also called the PRS a 'super monopoly'.<sup>29</sup> The proposal for arbitration by tribunal owed something to the work of Sir William Harrison Moore and Samuel Raymond QC, respective delegates for Australian and New Zealand at the Berne Union's 1927 Rome Conference to amend the Berne Convention. They helped persuade delegates at the Rome Conference to accept amendment of the convention text to permit members to impose 'reservations and conditions' on the author's newly agreed right to authorise broadcasting of literary and artistic works.<sup>30</sup> But copyright policymakers did not readily accept that the broadcast right could lawfully be restricted.<sup>31</sup> In Australia in 1932–1933 concern at whether the legislature could validly enact limitations on exercise of the broadcasting right preoccupied the Royal Commissioner Justice Sir William Owen.<sup>32</sup>

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<sup>27</sup> The 'radio wars' in the 1930s in the United Kingdom, United States and Australia. For Australian and the United Kingdom see Atkinson (2007). The battle in the US between music publishers, represented by the American Society of Composers Authors and Publishers, and broadcasters has been examined in books and articles. See, e.g., Wu (2004).

<sup>28</sup> The Musical Copyright Bill 1929.

<sup>29</sup> Atkinson (2007), p. 171.

<sup>30</sup> Delegates agreed without controversy a revised Article 11 *bis* (1) which permitted members to legislate to vest in authors of literary and artistic works the right to authorise broadcasting of those works. Article 11 *bis* (2) upon which Moore and Raymond insisted was highly controversial. It says, 'The national legislation of the countries of the Union may regulate the conditions under which the right mentioned in the preceding paragraph shall be exercised, but the effect of those conditions will be strictly limited to the countries which put them in force.' Article 2(1) of the Convention provides that the phrase 'literary and artistic works' refers to, among other things, 'musical compositions with or without words'.

<sup>31</sup> The reason for concern at challenge to enactment of laws limiting the broadcasting right, for example by provision for arbitration of licensing disputes, was that legal challenge could affect the development of broadcasting. In Australia especially governments were concerned at the prospect of legal disputes restricting the growth of broadcasting in remote areas, which relied on radio to disseminate educational and other services. It should be noted that the broadcast right is separate from the public performance right which is described in Article 11 of the Convention. See Atkinson (2007), p. 224.

<sup>32</sup> Justice Owen presided over the Royal Commission on Performing Rights 1932–1933.



In 1925, the PRS incorporated in Australia the Australasian Performing Right Association (APRA). The Australian broadcasting regulatory scheme permitted, uniquely, commercial radio stations to broadcast as well as the publicly-funded ABC, which dominated broadcasting across the nation.<sup>33</sup> In 1932, after bitter dispute between APRA and radio broadcasters, who considered exorbitant APRA's public performance fees, the government appointed a Royal Commission on Performing Rights.<sup>34</sup> The Commission proposed a tribunal to arbitrate disputes over fees and collection practices.<sup>35</sup> The federal government was disinclined to institute a new quasi-judicial system for resolving arguments between industries, evincing no enthusiasm for official adjudication of licensing disputes. It declined the recommendation to institute a copyright tribunal.

However, the Australian Copyright Tribunal came into existence 35 years later following passing of the new Australian Copyright Act.<sup>36</sup> Although more enthusiastic about the tribunal in 1968, in the 1930s neither APRA nor EMI welcomed the proposed institution of a copyright tribunal. Then, the music publishers and recording industry wanted to be left alone by government.<sup>37</sup> APRA opposed a tribunal because it recognised that compulsory arbitration of disputes about copyright fees would be likely to suppress fees growth.<sup>38</sup>

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<sup>33</sup> In Australia, the Victorian Supreme Court found in 1925 that unauthorised broadcast of a copyright musical work infringed the owner's public performance right: *Chappell & Co Ltd v Associated Radio Company Ltd* (1925) VLR 350.

<sup>34</sup> The precipitating factor in the Australian Government's decision to call a royal commission on performing rights in 1932 was the collapse of price negotiations between the Australasian Performing Right Association, collecting for musical copyright holders, and the Australian Federation of Broadcasting Stations. See comments of the Royal Commissioner, Justice Owen, during proceedings. Comments in archive transcripts (NAA A467 SF1/). See also *Report of the Royal Commission on Performing Rights* Commonwealth Government Printer 1933.

<sup>35</sup> Report 1933 *id.*

<sup>36</sup> 1968.

<sup>37</sup> John Keating, legal adviser to the Royal Commission on Performing Rights, said, 'The general attitude of Counsel for APRA and counsel for the Associated Manufacturers [EMI] throughout the Inquiry might be summed up as if they said: 'We want to be left alone. There is no need for any legislation to solve present or future problems adverted to here. Leave them to us to settle by private negotiation.' The radio broadcasters did not join in this sentiment, perhaps because the broadcast industry was the focus of the resentment of both APRA and the record industry Atkinson (2007).

<sup>38</sup> APRA did not seek a royal commission on performing rights, nor a copyright tribunal. Its preferred strategy was, in the words of Purcell, the barrister for the Cinematograph Exhibitors' Association (addressing the royal commissioner Justice Owen), to behave, 'like a dragon, devastating the countryside.' (See transcript in National Archives of Australia NAA A467 SF1/43). APRA felt confident that if left alone, it could through courts, extract maximal prices from radio broadcasters. In his commission report, Justice Owen wrote that APRA, in effect the monopoly collector in Australia of public performance fees, 'can write its own terms ... and, unless the law be altered, there can be no restraint upon its demands.' He went on: 'It cannot be said that the demands made hitherto have been extortionate, but they can be made so.' (National Australian Archives and see Atkinson at 222).

In Canada, government was more assertive. From 1931, the Canadian Copyright Act required performing right societies to file lists of fees and permitted the government to revise or prescribe copyright licensing fees if a collecting society withheld licences, collected excess fees or otherwise acted contrary to the public interest.<sup>39</sup>

In the 1930s, bitter argument over whether records should be played on radio overshadowed the more long-lived dispute over the obligation of radio broadcasters to pay performing right fees. In 1931, Electric and Musical Industries, or EMI, the result of merger<sup>40</sup> between the Gramophone Company and Columbia Gramophone Company—and the behemoth of the record industry—banned radio stations in the United Kingdom and Australia from playing its records.<sup>41</sup> EMI blamed radio broadcasting of music for the calamitous 80% drop in sales in the years 1927–1931.<sup>42</sup> Broadcasters complied with many of the conditions imposed by EMI on playing its records, and over the next decades radio and record industry reached uneasy accommodation.<sup>43</sup>

However, in one particular, EMI wrongfooted the radio industry. One morning in 1933, Louis Sterling, EMI's managing director in the United Kingdom, heard a song from an EMI record played on radio. He went to work and expressed to staff what might be called the paratrophic principle. He asked, '... are we getting paid for that?'<sup>44</sup> With alacrity, EMI (specifically the Gramophone Company) sued the proprietor of a coffee shop for the unauthorised alleged public performance of an EMI record. In 1934, Justice Maugham in the High Court agreed that copyright in a sound recording includes the exclusive right to authorise public performance of the recording.<sup>45</sup> By 1934, EMI saw benefit in abandoning a ban on the playing of records and instead demanding fees for the public performance of records.<sup>46</sup> The United

<sup>39</sup> Copyright Amendment Act 1931 (Canada), passed 11 June 1931.

<sup>40</sup> In the United Kingdom, North America and Australia.

<sup>41</sup> EMI imposed in the United States that appears to have been less policed.

<sup>42</sup> Atkinson (2007), p. 175.

<sup>43</sup> Conditions might include restriction of the number of plays and announcement of the name of the record company which had produced the record (EMI or a subsidiary), and the name of the track and performer.

<sup>44</sup> See *A Short History of IFPI* (<http://www.ifpi.org/downloads/ifpi-a-short-history-november-2013.pdf>). This monograph published by the International Federation of the Phonographic Industry quoted Sterling as follows: 'I put the radio on this morning. I heard them playing one of our records. I want to know something: are we getting paid for that?' The recording industry founded IFPI in Rome in 1933 to lobby for enactment of the record performing right.

<sup>45</sup> *Gramophone Company Ltd v Stephen Cawardine & Co* [1934] 1 Ch 450.

<sup>46</sup> EMI embarked on the radio bans partly because of concern that a precipitate drop in record sales, which might have been attributed to the effect of economic depression on consumer spending, was caused by the public's choice to listen to radio instead of buying records. But the bigger reason for the radio ban was that record companies saw collecting societies like the PRS and APRA reaping rich dividends from collecting public performance fees. The assertion of a public performance right in the record itself, outlandish to some observers, was a calculated gambit to profit like the collecting societies.

Kingdom and Australian copyright legislation of 1956 and 1968 enacted record performing rights, giving effect to Justice Maugham's decision.

In the United States, acrimony in the dispute over the necessity to pay fees for the public performance of works embodied in recorded music exceeded in intensity the bitterness of the commercial wrangling in the United Kingdom and Australia during the 1930s. In the 1930s, US record companies affiliated with EMI prohibited radio stations from playing their records without consent. Then in 1940 the US federal court rejected their claim for legal recognition of the record performing right. *Cawardine* did not influence judicial thinking in the United States.<sup>47</sup>

After 1940, US record companies, unlike their counterparts in other English-speaking jurisdictions, could not claim a legal right to prohibit public performance of records. The record industry, however, continued to grow rich from the sale of records and had little need to quarrel with broadcasters. The greater battle in the 1940s took place between the music publishers represented by ASCAP and radio broadcasters. ASCAP's collections for musical performance rose from \$380,000 in 1922 to \$7.3 million in 1940, a rise attributable in large part to levying radio broadcasters.<sup>48</sup>

The broadcasters responded to hikes in ASCAP's rates by proposing to the federal Justice Department that ASCAP, the licensor of over 80% of copyright music, owed a legal duty to practice circumspection when determining rates. The broadcasters instituted legal proceeding for violation of federal anti-trust legislation.<sup>49</sup> In 1934, the federal Justice Department instituted anti-trust proceedings against ASCAP. In 1935, ASCAP and the broadcasters made provisional peace, agreeing a 5 year extension of an existing contract establishing licence conditions.<sup>50</sup> ASCAP raised licence fees by 40% within 2 years and the truce ended. The broadcasters then took a radical step that does not appear to have occurred to their counterparts in countries like the United Kingdom and Australia. In 1939, they formed their own collecting society to compete with ASCAP. Broadcast Music Incorporated (BMI) rapidly succeeded, offering stations a new repertoire of songs taken from new genres that ASCAP shunned: rhythm and blues, country, gospel, folk and Latin.<sup>51</sup> BMI offered non-exclusive pay-per-play licences eschewing the ASCAP model of exclusive blanket licensing.<sup>52</sup>

In 1941, the National Broadcasting Company (NBC) and Columbia Broadcasting System (CBS), adopted the BMI repertoire and led a 10 month strike against signing deals with ASCAP. By the end of the year, BMI licensed the music played by

<sup>47</sup> *RCA v Whiteman et al* 114 F 2d 86 (1940).

<sup>48</sup> Atkinson and Fitzgerald (2014), p. 81.

<sup>49</sup> Sherman Antitrust Act 26 Stat 209. See Atkinson and Fitzgerald (2014), p. 82.

<sup>50</sup> In 1932, ASCAP and the radio stations signed a contract which provided for payment by each radio station a fee plus 2% of gross advertising revenue in 1933, 4% in 1934, and 5% in 1935. Two years later, ASCAP raised its fees by 40%. In the two decades between the wars it raised fees by 900%. See Cirace (1978), p. 287.

<sup>51</sup> Atkinson and Fitzgerald (2014), pp. 83–84.

<sup>52</sup> *Ibid* at 84.

about 2/3 of radio stations.<sup>53</sup> ASCAP slashed its rates, and after the federal government began anti-trust proceedings against both ASCAP and BMI, the two collecting societies signed consent decrees that required them to license music non-exclusively, provide licensees the option of per-play-licensing, and drop the requirement for copyright assignment.<sup>54</sup> The consent decrees continue to be updated and signed.

## 6 Photocopying

In 1959, the Xerox company began selling the 914, the first reprographic, or photocopying machine sold to a large commercial market. Ricoh and Fuji Xerox soon sold machines to the expanding audience of copiers, including universities. By 1965, machines in the United States copied about 9.5 billion pages annually.<sup>55</sup>

Pressed by the International Publishers' Association, the International Federation for Documentation and the International Federation of Library Associations, a joint committee of the Universal Copyright Committee secretariat and the Berne Union started in 1961 to assess whether a right to authorise photocopying (and copying by other newer technological means) vested in the holders of copyright in works.<sup>56</sup> In the 1970s, cases decided by the highest courts in Australia and the United States provided contrasting opinions on the circumstances in which unauthorised photocopying infringed copyright in works.<sup>57</sup> In 1984, after more than two decades of deliberation, the UCC-Berne Union joint committee, now called a Group of Experts affirmed that the Berne Convention and UCC granted authors exclusive control over all aspects of reproduction, including private copying for non-commercial

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<sup>53</sup> *Ibid.*

<sup>54</sup> In 1939 10 states passed anti-trust laws directed at trusts intended to fix pricing of licences for the supply of copyright music. In the same year, ASCAP sued the states in the Supreme Court in *Gibbs v Buck* 307 US 66 and *Buck v Gallagher* 307 US 95 and the Court issued pre-emption declarations invalidating the legislation. See, e.g., Wu (2004).

<sup>55</sup> Atkinson (2007), p. 333. A congressional house committee in 1965 reported the statistic on US copying. Sydney University in 1968 reported annual copying of 874,780 pages and in 1969 the University of New South Wales reported copying of 325,100 pages in a four week sample period.

<sup>56</sup> The 1961 commencement of the activities of the joint committee were reported in the 1968 *Report prepared by Secretariat of UNESCO and Berne Union on meeting of Committee of Experts on the Phonographic Reproduction of Protected Works*.

<sup>57</sup> In *University of NSW v Moorhouse* (1975) 133 CLR 1 the High Court of Australia—following Federal Court determination that unauthorised copying was infringement but that the university did not authorise infringement—determined that the university authorised infringement by failing to adequately warn copiers of infringement liability. In *Williams and Wilkins Co v United States* (1975) 420 US 376 USC, eight Supreme Court justices split evenly on the question whether photocopying of articles in medical journals by two government libraries constituted copyright infringement. The government argued that copying was fair use. The Supreme Court dismissed the appeal without providing reasons.

purposes.<sup>58</sup> By then, Sweden and the Netherlands had introduced compulsory licensing schemes for the copying of works for educational purposes. Other countries followed, establishing under the auspices of copyright tribunals, statutory licensing schemes for copying of works.<sup>59</sup>

These schemes were designed by publishers and willing governments to ensure that government, schools and universities paid annual fees for photocopying (and later digital communication). Whereas private corporations paid compulsory licence fees for recording musical works, and fees for the public performance of musical or records of those works, government agencies, most especially the education department, paid fees levied for the photocopying and digital copying and communication of works.

## 7 Complex of Royalties

The royalties system is complex.<sup>60</sup> Its complexity in practice is shown in a synopsis by Daniel Gervais of the schema in Canada for remuneration of copying and also public performance. The scheme is repeated in other countries such as Australia. Gervais outlines the licences for public performance that a radio broadcaster must obtain, each of which is directed towards per play remuneration at rates adjudicated by a court or tribunal.

Let us take a concrete example. A radio station (broadcaster) wishing to copy music on its computers and then use that copy to broadcast the music will need to clear two rights: the right to copy (reproduction) and the right to communicate the work to the public. The radio station will need the right in respect to three different objects: (1) the musical work (2) the sound recording and (3) the musical performance of the work incorporated in the sound recording. Our hypothetical broadcaster will need, at least occasionally but probably very frequently, to use works, sound recordings or performances, the rights in which are owned, in whole or part, by foreign nationals and entities. The broadcaster probably uses thousands of songs from around the world each week. However, a typical broadcaster does not know

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<sup>58</sup> In 1987, the World Intellectual Property Organization (WIPO) appointed a committee of experts to draft model provisions concerning photocopying. See also recommendation 11 in the Council of Europe Committee of Ministers document *On Principles Relating to Copyright Law Questions in the Field of Reprography* (25 April 1990).

<sup>59</sup> In Australia 1981 (Copyright Amendment Act).

<sup>60</sup> In the United States, six compulsory licences govern commercial use of copyright material: licence for production and distribution of records of musical works and their digital audio transmission; digital performance right for records for some operators of non-interactive digital transmission services; licence for ephemeral recordings used to facilitate digital transmissions; licence for secondary transmissions by cable television; licence for use of certain copyright works by non-commercial broadcasters; licence for satellite re-transmissions to public for private viewing. In the English-speaking world, the state, following the arbitration model first proposed by the Australian Royal Commission on Performing Rights (1932–1933), interposes between parties disputing licensing terms to determine a bargain. In most countries, tribunals composed of one or more judges, and usually one or more non-judicial officer, determine equitable remuneration and related matters.

in advance which songs it will play enough in order to seek individual licenses ... In sum, a broadcaster may need up to twenty licenses (or payments) if some of the rights have been transferred to or are split up between rightsholders.<sup>61</sup>

The commercial arrangements to which Gervais refers result in part from commercial bargaining between the rights holder (for example, a performing right society collecting fees for radio plays of a musical work embodied in a sound recording) and user (the radio station). Legislation, however, compels the broadcaster, or any other like user, to pay remuneration, whether following supposedly voluntary negotiation or by application to court or tribunal.<sup>62</sup> While not compelled to play, or make and play, a recording, the radio station cannot pay less per play than the amount specified by a court or tribunal (which specifies rates). Fees are debts. The station must pay fees or be liable for breach of contract and mandatory payment of arrears.

## 7.1 *Royalties and Paratrophic Copyright*

To many observers, the system of royalties payment that emerged from the legal disputes described, solves the problem of organising payments by diffuse populations of licensees.<sup>63</sup> Collecting societies and governments like to explain the royalties system as a rational response to market failure.<sup>64</sup> Individual copyright holders are unlikely to collect royalties either because they do not have sufficient bargaining power to secure payment of copyright fees, or the population of prospective licensees is too large and diffuse to persuade to pay fees.<sup>65</sup> At the founding of ASCAP, the PRS, APRA and others, the publishers that founded collecting societies argued that collective administration provided a solution to the difficulties that unequal bargaining power and scale of unauthorised use posed individual copyright owners.

Collecting societies discovered that even the power of music publishers could not easily persuade a recalcitrant bloc of proprietors of music halls, theatres,

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<sup>61</sup> Chapter 1 'Collective Management of Copyright: Theory and Practice in the Digital Age' in Gervais (2010), p. 2.

<sup>62</sup> See, e.g., Australian Copyright Act 1968, Part Va--Copying And Communication Of Broadcasts By Educational And Other Institutions.

<sup>63</sup> For detailed treatments of international collective rights administration, which underlies most of the royalties system, see Landolt (2006) and Gervais (2010).

<sup>64</sup> If a bargain cannot be struck, a market does not exist. Prior to the institution of tribunal and statutory licensing, markets for public performance of recorded music and photocopying of pages of works did not exist. If markets, governed by the law of contract, do not arise organically, and government edict in effect decrees that parties must reach price agreements, the supposedly sacred idea of a free market is obviated. The seller may be willing but the buyer is not. If we consider the example of photocopying royalties, it might be supposed that if a market exists in copying pages of text, collecting societies would not fail to collect copying fees from corporations, and other private entities that daily copy millions of pages.

<sup>65</sup> See, e.g., UNESCO *Guide to the Collective Administration of Authors' Rights* UNESCO 2000 (author Paula Schepens).

cinemas, restaurants, cafes and above all, radio broadcasters, to pay legally enforceable public performance fees. Disagreements resulted in varieties of commercial dispute that flared, during the 1930s, into commercial warfare between the broadcasters and APRA and EMI.<sup>66</sup> Observers identified different culprits. To one Australian public servant, APRA was 'a lamb altogether against the gramophone lion.'<sup>67</sup> Another said that APRA began operations as a 'watchdog of copyright holders' rights' and became a 'dragon devastating the countryside.'<sup>68</sup>

In all jurisdictions in which the radio wars erupted, government elected to interpose itself into dispute in order to create, for public benefit, workable commercial relationships between industries. It proposed and ultimately established tribunals to which the parties to disputes about royalties were required to refer their disputes. If parties disputed, tribunal arbitration was inescapable. Copyright tribunals regulate the levying and payment of royalties, and ensure, that in the event of delinquency, royalties are paid. Tribunals are concerned with the total of licences. Since the 1970s, they have overseen as necessary new statutory licensing schemes including that for copying and communication by government and educational sectors.<sup>69</sup>

In the absence of government intervention, the chaos of the radio wars would likely have extended past the 1930s, and music publishers would have relied on court orders, enforced in the teeth of broadcaster opposition, to secure payment of public performance fees.

Ostensibly, the royalties system is the product of constructive action by governments and collecting societies alike to make enforceable rights that are potentially unenforceable.<sup>70</sup> This chapter contends that the royalties system is the outcome of paratrophic government action. Faced with owners contending over rights, the correct action for government is to avoid intervention. The proper place for resolving rights disputes is in courts. Intervention makes possible unwitting collusion in assertion of rights that ensures the accrual of benefit for rights-holders, not the public.<sup>71</sup>

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<sup>66</sup> Atkinson (2007).

<sup>67</sup> Joe Tipping a federal Attorney General Department officer attending the hearings of the Royal Commission on the Performing Right in 1933.

<sup>68</sup> Purcell, barrister for the Cinematograph Exhibitors' Association speaking at the Royal Commission on Performing Rights (NAA A467 SF1/43 reproduced in Atkinson at 207).

<sup>69</sup> See WIPO Series on types of collective rights administration <http://www.wipo.int/publications>.

<sup>70</sup> In Australia, a striking feature of the statutory licence for copying and communication is that it applies to government agencies and educational institutions. The reason that companies are not levied copying and communication fees is that the cost of securing compliance deters publishers. Government is a compliant licensee that undertook to establish the royalties scheme.

<sup>71</sup> The question of government's correct role in market regulation is much debated. In the case of collective administration it is relevant to note that while governments may have benefitted copyright industries by establishing a legal machinery for collecting, they have deprive potential licensees of the freedom to refuse or avoid licences. Compulsory licensing may also be interpreted as coercion.



## 8 Government Violation of Principle

The error in government's establishment of the machinery of the royalties system is that its intercession involved violation of two principles of public policy usually regarded as inalienable. The first is that of contractual autonomy. Government (subject to equitable provisos) does not involve itself in the bargains of private actors.<sup>72</sup> The second is that a proprietary right, specifically a copyright, affords the power to contract for reward but not to receive reward. The power of proprietary rights lies in prohibition. The owner can forbid the trespasser. But the owner cannot compel payment.<sup>73</sup> The owner is a prospective licensor, who secures payment because the licensee pays to avoid prohibition. The royalties system abolishes contingency and compels a bargain: a licence for payment must be agreed. The royalties system thus provides what copyright does not: certainty of payment.<sup>74</sup> Copyright furnishes only a right of refusal.

This violation of principle occurred because those concerned with copyright policy accepted wrong assumptions about royalties. The legal justification for compulsory royalties<sup>75</sup> depends on two propositions. The first, as noted above, is that copyright legislation confers on owners undivided control over the reproduction and public performance of copyright material.<sup>76</sup> The owner can forbid copying or performance unless a prospective user agrees terms of use.<sup>77</sup> The second is that the owner is entitled to remuneration for use.<sup>78</sup>

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<sup>72</sup> In Australia, shortly after Federation, Parliament passed the Conciliation and Arbitration Act (1904), inaugurating an industrial relations system that would establish greater parity in bargaining between workers and employers. The policy of the Commonwealth in involving itself in wage bargaining was to uphold, in the public interest, a minimum wage and minimum standards in working conditions. The arbitration system, unlike the copyright tribunal system, was not intended to specifically benefit proprietary rights-holders. Commonwealth intervention in private bargaining, outside the establishment of the Copyright Tribunal, has been rare. Some contract-related statutes, such as the Australian Consumer Law, involve government in private bargaining, but they do so strictly, usually on limited grounds, for public or 'consumer' protection.

<sup>73</sup> None of the exclusive rights of copyright is a right of remuneration.

<sup>74</sup> The transcripts of discussions between Sir William Owen, the Royal Commissioner, and John Keating, his legal advisor, at the conclusion of the Royal Commission on Performing Rights 1933, reveal that both men considered that the public interest must conform to the requirement of creating commercial harmony, which they considered could be achieved by establishment of an arbitral tribunal. Keating said the public '[is] vitally interested in seeing that they [the industries] work together harmoniously.' Owen said, '... to what extent should the conflict between those rights of public demand, assuming the public interest is there, to what extent and in what way should these differences be adjusted.' (Atkinson at 219).

<sup>75</sup> See, e.g., that of Gervais (2010).

<sup>76</sup> The so-called exclusive rights of copyright and other subject matter enumerated in copyright legislation and first provided for in embryonic form in the Berne Convention 1886.

<sup>77</sup> Thus copyright is stated as an *exclusive right* to do certain *acts* (see, e.g., section 31 of the Australian Copyright Act 1968). The right of prohibition is implied in the exclusive right.

<sup>78</sup> Not stated, nor obviously implied, in the exclusive right to do acts. But implied nonetheless as shown in the discussion of *Herbert v Shanley* 1917 242 US 591.



The corollary of the first proposition is that the right to refuse use of, or access to, copyright material allows copyright owners to demand fees for use. But a right to demand fees is not a right to *compel* payment. It is a right to insist on *negotiation* of fees as a condition precedent to permitting use.<sup>79</sup> The second proposition introduces compulsion to licensing transactions. Copyrights, which confer exclusive rights, do not compel a person—a prospective licensee—to pay what are called copyright fees. This is necessarily so. Exclusive rights to copy, publish, perform and communicate works cannot plausibly be augmented by a general injunction to potential licensees to accept, without further ado, unilateral price ‘offers’.<sup>80</sup> How then could a right to claim compulsory royalties be accepted in legislation? The answer is that government elected to make workable what seemed unworkable in the absence of government assistance: collective rights administration.

It should not be thought that had government refused to create a state machinery to enable the effective administration of collective rights copyright holders would have been deprived of remedies. They could have exercised the power of prohibition. EMI did so in the 1930s when it banned radio broadcasters worldwide from playing its records. That ban proved effective. In Australia it produced the Royal Commission on Performing Rights and in England it resulted in judicial award of a record performing right. In due course, the record industry decided that broadcasting benefitted sales, and the two industries recording and broadcasting made peace.

To recap: by creating a legal arrangement for secure collection of royalties, government interposed itself in the process of private contracting between the copyright owner (in whom vests the legal right to refuse use/access to copyright material) and the trespasser/prospective licensee. In order to justify such intervention, government in effect invented a hitherto unknown copyright: the right of remuneration. Louis Sterling, the managing director of EMI in the United Kingdom, expressed the paratrophic principle in 1933, in the words, ‘... are we getting paid for that?’<sup>81</sup> The ‘that’ to which he referred was radio broadcasting of music recorded by EMI. His inquiry to his legal officers galvanised EMI to pursue High Court action that ended in Justice Maugham recognising in *Gramophone Co Ltd v Stephen Cawardine & Co*,<sup>82</sup> a record performing right. The question, ‘are we getting paid for that?’

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<sup>79</sup> The absurdity of compulsion is instantly apparent on consideration of the everyday process of exchange. If consumers were compelled to buy goods when they entered shops, chaos would ensue pitting consumers against shopowners and government. Similarly, a music listener might accept the copyright owner’s refusal to sell an album below a certain price. If the law did not permit the listener to refuse to pay the price, revolt against the law would be predictable.

<sup>80</sup> See preceding note. The essence of a market, or a system of free exchange, is non-compulsion. Compulsion destroys markets and exchange.

<sup>81</sup> See *A Short History of IFPI* (<http://www.ifpi.org/downloads/ifpi-a-short-history-november-2013.pdf>). This monograph published by the International Federation of the Phonographic Industry quoted Sterling as follows: ‘I put the radio on this morning. I heard them playing one of our records. I want to know something: are we getting paid for that?’ The recording industry founded IFPI in Rome in 1933 to lobby for enactment of the record performing right.

<sup>82</sup> [1934] Ch 450.

expresses the sentiment of all industries importuning for legislation to enable them to compel payment-for-use.<sup>83</sup>

Policy-makers could find legal justification for the idea of compulsory, as opposed to negotiable, royalties in one famous—and brief—judgment of Oliver Wendell Holmes Jr of the US Supreme Court, described later in this article. Holmes's judgment helped to inaugurate a paratrophic copyright system which commands payment for unauthorised exercise of copyrights, conjuring into existence a 'market' that would not exist in the absence of legislation compelling acceptance of 'bargains'.<sup>84</sup>

## 9 Contract

A property system is paratrophic to the extent that bargains for rent or other obligation are obligatory or non-voluntary.<sup>85</sup> The policy of market regulation is to facilitate voluntary and informed, exchange.<sup>86</sup> Voluntary bargaining is not unfettered bargaining. Judges apply to contracting ethical rules that restrain various types of abuse of power and deceptive conduct. But outside the courts' prohibition of unethical behaviour, the state usually avoids policing or supervising bargaining.<sup>87</sup> It abstains from

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<sup>83</sup> Sterling's sentiments were echoed, and elaborated by counsel for the associated manufacturers (in substance the Australian subsidiaries of EMI) at the Royal Commission on Performing Rights in 1933. Since EMI in England (through the Gramophone Co Ltd) was preparing for the *Cawardine* test case, the uniformity of reasoning is predictable. Reginald Bonney, for the associated manufacturers (EMI), told the commission that, 'The person who uses that record in public for his own profit, who could not otherwise obtain that profit should pay for it; does not justice require that those who have provided him with those means should be provided to pay for it?' (National Australian Archives A467 SF1/85).

<sup>84</sup> As discussed in this article, it might be supposed that statutory specification of proprietary rights, and judicial enforcement of those rights, is a pre-condition for markets to function, but free markets are defined, not determined, by rights: that is, a free market is created by voluntary exchange, governed by rights, not effectuation of a right for the benefit of one class of economic actor.

<sup>85</sup> The widely accepted policy of contract law is that a person is free, subject to legal prohibition, such as prohibition against fraud or murder, to agree with another person to do or refrain from doing specified acts. The law upholds contracts made in conformity with the law. A valid contract must be—according to theory—the product of autonomy (freedom to choose) and free exercise of will (voluntary decision). In this essay, voluntarism is contrasted with coercion. It should be noted that some scholars have questioned the extent to whether autonomy and voluntarism, as those concepts are conventionally understood, are to varying degrees absent from much contracting. See, e.g., Robertson (2005).

<sup>86</sup> This 'policy' is not expressly stated in any literature of which I am aware but probably a majority of governments purport to encourage commercial exchange and uphold contracts related to such exchange. In developed countries, competition and consumer policy is designed to ensure transparent market exchange. Legal literature focuses more on voluntarism as the source of contractual and commercial freedom. See, e.g., Mensch (1981).

<sup>87</sup> In Australia Parliament legislated in 1904 to introduce an industrial relations system that in reduced form continues today. The Conciliation and Arbitration Act (1904) (Cth) established the Commonwealth Court of Conciliation and Arbitration to determine wage disputes and the *Harvester*

involvement because third party governance of bargaining is viewed as inimical to free society and free contracting within that society. This is not to say that official oversight might not efficiently assist parties to reach fair and workable contract arrangements. Few would argue that the freedom of individuals to make agreements should be curtailed by the involvement—assuming that such involvement were feasible—of government arbiters.<sup>88</sup>

Voluntarism is distinguishable from freedom of contract. Voluntarism means that a person cannot be forced to contract. Freedom of contract means that a person is free, subject to the law, to bargain and reach agreement.<sup>89</sup> If they are enjoined by the state, in the sense that the state, by establishing an arbitral tribunal, insists that public performance, copying or remuneration must be remunerated at determined rate, contracts to pay royalties are not voluntary contracts. Compulsion voids autonomy, a signifier, in western axiology, of human dignity.<sup>90</sup>

Although contemporary developments in copyright licensing are not within the scope of this chapter, it is noticeable that if the radio wars showed that music publishers and record companies could compel radio broadcasters to pay licence fees for the public performance of music,<sup>91</sup> in the digital environment copyright provides

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case (*Ex Parte HV McKay* (1907) 2 CAR 1) established a minimum wage. Fairness was the justification for state intervention to counteract on behalf of workers the superior bargaining power of employers. In Australia and other countries, legislatures have introduced consumer protection legislation that impose unfair conditions on purchasers of goods or services. The law has allowed practices such as shrinkwrap licences and contracts of adhesion, 'take it or leave it' contracts that state terms service (e.g., car hire contracts or contracts for entry to vehicle parking stations).

<sup>88</sup> In the sense that *consensus ad idem* or at least promissory exchange which offers something approximating free agreement is both a social good and a social necessity. The alternative to free or voluntary contracts is oppression.

<sup>89</sup> The concept also implies that a promise must be kept or upheld. The jurisprudence over two centuries of contractual freedom is complex, balancing the inviolability of a promise against the necessity to protect weaker parties from oppression. Philosophically, the value of contractual freedom is clear enough: it is a precondition for commerce, adult responsibility and indeed personal liberty. On the history of ideas about contractual freedom see Atiyah (1985). See also the attack of the American Progressive Movement on Supreme Court judgments that upheld an idea of pure contract, that is, that assent to a contract is per se validation of that contract. The Progressives argued that unless courts redressed unjust outcomes (typically in labour cases) by striking down as unjust bargains provisions or whole contracts, bullying and abuse would become norms of civil and commercial intercourse. Chief Progressives include Hand (1908) and Pound (1909).

<sup>90</sup> This point cannot be overstated. A machinery for compulsory contracting that is substantially paid for by government to enable industries to solve problems of consumer capture is testament to the efficient operation of vested interest. It also represents the crypto-overthrow by government (at the behest of vested interest) of the polity's 200–300 year belief in contractual freedom, however that concept is interpreted.

<sup>91</sup> The UK Copyright Act 1956 and Australian Copyright Act 1958 codified recognition in *Cawardine* supra of the record performing right and the UK legislature followed the Australian (which established the Copyright Tribunal in its 1968 legislation) in creating a copyright tribunal. The tribunals enabled music publishers to effectively enforce public performance agreements. Unlike the record companies, publishers had, throughout the twentieth century, possessed the statutory to prohibit, and thus collect fees, for the public performance of music. The tribunals facilitated collection without contention.

no surety for securing payment for use of copyright material. The access company Google is the most prominent example of a contemporary super-corporation overmastering, as it chooses, copyright industries demanding fees-for-use.

From the 1920 onwards, the radio industry could not repel the music publishers. Now, digital publishers are powerless to extract royalties from Google. In the last 5 years, Google has largely crushed the opposition of major European publishers to its practice of aggregating, on that part of its website called ‘Google News’, news headlines and photographs accompanying the publishers’ online news stories. The publishers, in some cases supported by legislation passed in their native jurisdictions (and a draft 2016 EU copyright directive) could not coerce Google to pay fees-for-use. If Google excluded from its aggregating service a publisher objecting to non-remuneration, the publisher typically chose not to forego the market exposure that Google’s service provided, and consented to Google’s royalty-free aggregation. The prerogatives of copyright availed publishers only a little in their negotiations with Google.<sup>92</sup>

## 10 Process of Licensing

Plenty of contracts are non-voluntary in effect. Adhesion contracts—take-it-or-leave-it contracts—or user pays contracts, which propose that the user pays cost-of-use (although true cost of use is usually unfathomable<sup>93</sup>) do not compel acceptance

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<sup>92</sup> Information on Google’s conflict with European publishers over copyright use and remuneration is taken from the dissertation of Joanne Gray PhD candidate at the Thomas More School of Law, and her excellent treatment of Google’s relations with European publishers. Her account begins in 2005 with Agence France Presse filing in a US court a suit against Google for infringement of its copyright in photographs and new stories. In 2007, Copiepresse a Belgian collecting society representing publishers began a law suit for infringement of publishers’ copyright, and in 2009, the Italian publishers’ federation made a complaint against Google under Italian anti-trust legislation, for anti-competitive conduct in the online advertising market. German publishers also initiated anti-trust action against Google alleging that Google compelled publishers to opt-in to its aggregating service. Google replied by refusing to aggregate the publishers’ news items and they swiftly agreed to revert to the existing arrangement. The German publishers filed another suit for copyright infringement in 2016. A 2013 German amendment to copyright legislation authorised opt-in arrangements for no-payment while a Spanish law of 2013 required that publishers could only opt-in to the Google aggregation scheme if Google paid licence fees. In France from 2012, publishers entered into ‘partnerships’ with Google to generate greater online advertising revenue. Google also contributed to a digital development fund—and continued its aggregation service. Ms Gray’s treatise investigates the goals and practices of Google, especially as they affect copyright policy and is likely to be complete in 2017.

<sup>93</sup> Determination of value or fixing price is a metaphysical exercise. The important criterion for determining rightness or wrongness of pricing—a metaphysical exercise—is control. What control does the seller exercise over price-determination? If a user is paying a monopolist, the price will be wrong. If we take the example of a beach, users are multifarious. In what way are the fees charged motorist parking vehicles near the beach matched to the value of use? Since the local council is landholder and monopolist fee-collector, the likelihood is that the fee charged is unconnected to value—or more specifically, cost—of use.

by the party receiving a service. But they may be difficult to avoid—the driver at the ticket vending machine in a parking station can rarely perform a u-turn on examining terms printed on the ticket. These contracts are, however, distinguishable from royalty arrangements mediated by a tribunal. The difference lies in mode of compulsion and price determination. Royalty arrangements are usually determined (or determinable) by tribunals. The state, through the agency of mediation (i.e., tribunals) insists upon a minimum royalty price and permits price inflation. Licensees are denied the primary incentive to enter a user-pays agreement, that of price competition: tribunal praxis requires that they agree bargains with a single collecting society.

The role of the tribunal should not be underestimated. In Australia, about 230 sections of the current Copyright Act establish the machinery for compulsory payment of royalties, the quantum of which is determined by the Copyright Tribunal, and called ‘equitable remuneration’.<sup>94</sup> Royalties are unmediated only in the circumstance that licensor and licensee come together voluntarily to agree a price. The Copyright Tribunal, as required, fixes royalties according to conventional valuation formulas that can be argued to be ill-adapted to determining the value of costless acts (such as listening to recorded music).<sup>95</sup> The legislation compels determination of royalties and imposes an obligation to pay royalties. The contractual freedom of the licensee is token.

The royalties collection system is made universal by the interlinked actions of international collecting societies. In the twentieth century, royalties were settled as fees-for-use and as a continuing number of nations signed the Berne Convention, systems for levying and collecting royalties spread through the copyright world. The pervasiveness of the royalties’ system does not reduce the objection to its paratrophic character. It ensures that bargains for broadcasting, copying and communication are struck, but it does so by depriving licensors of the voluntary and free decision *not* to reach agreement. Copyright licensors and licensees cease to be equal

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<sup>94</sup> Under the Act, royalties are payable for copying and communication of broadcasts by educational and other institutions, reproducing and communicating works by educational and other institutions, retransmission of free-to-air broadcasts, broadcasts by satellite BSA licensees. Royalties are also payable under the Act pursuant to determinations made by the Copyright Tribunal of applications under various sections of the Act, as well as in relation to applications to the Tribunal for determination of remuneration payable for making recording or film of a work, in recording for making of a copy of the sound recording, in respect of public playing of the recording, for broadcasting published sound recordings, recording musical works, the manner of paying royalty, and apportionment of royalty in respect of a record.

<sup>95</sup> In 1985 in *Copyright Agency Limited v Department of Education NSW & Ors* 4 IPR 5, the Australian Copyright Tribunal established as the basis for estimating a fee for photocopying pages of works the arbitral method for establishing fair market value. Arbitrators assume that fair market value is ascertained by determining what a willing (and non-anxious) buyer would pay a willing (and non-anxious) seller for a given property or asset, provided that both parties are unrelated, know the relevant facts and are under no compulsion to participate in the transaction. Given these conditions, fair market value should be an accurate representation of an asset’s worth. (The preceding description of fair market value determination is taken from the Allen and Overly document *Guide to Extractive Industries Documents – Oil and Gas* September 2013).

actors. The licensor benefits from guaranteed payment of fees. The licensee, however, may not wish to pay a fee.<sup>96</sup>

If non-payment involves non-compliance with legal obligation, ordinarily the cost of enforcement of rights must fall on the rights-holder, the licensor. The royalties system exempts the licensor from the cost of enforcement, and erases the risk of unenforceability. The licensor's original power to prohibit trespass on the copyright property, which might be exercised to forbid broadcasting of music, is augmented by a new power. Now the licensor may insist on price determination by the tribunal and payment by the range of licensees of rates determined. The possibility of the licensor failing altogether to secure the licensor's consent is pre-empted. The cost, at least so far as government and educational copying and communication are concerned is borne by the public.<sup>97</sup>

## 11 A Right of Remuneration: *Herbert v Shanley* USC 1917

In the case of the royalties system, the assumptions supporting the argument that fees must be paid for the public performance of music were most explicitly stated by Justice Oliver Wendell Holmes Jr in 1917 in the US Supreme Court case *Herbert v Shanley*.<sup>98</sup> Holmes's argument can be reduced to a single proposition: if copyright material is deployed by a person other than the owner for a purpose appurtenant in any way to that of making money, the copyright owner is entitled to a share of any income generated. The deployment, or use, of the material is, according to the argument that Holmes propounded, a remunerable activity and to the owner can be attributed a right of remuneration.<sup>99</sup>

Such a proposition leapfrogs a contrary argument that the exclusive rights of copyright grant one right only, that is to refuse a person other than the owner licence to use copyright material. The owner can, by injunction, prohibit use and this power of prohibition is the owner's weapon. The user must, once forbidden, either abandon use or negotiate a licence. Holmes's reasoning, however, vaulted the objection that

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<sup>96</sup> Unwillingness to pay a fee may contravene the law but government's task does not include legislating to ensure that a person enter into a licensing arrangements that he or she does not wish to accept. If the prospective licensee refuses a licence, or fails to fulfil its terms, the licensor, not government, is responsible for securing the licensor's rights.

<sup>97</sup> It might be possible to distribute tribunal costs by requiring collecting societies to contribute maintenance sums but any such arrangement would invite societies to insist on some involvement in the administration and management of the tribunal. Involvement in tribunal administration and management would not be compatible with judicial independence.

<sup>98</sup> 242 US 592.

<sup>99</sup> A remuneration right is recognised in relation to broadcasting. Article 12 (Secondary Use of Phonograms) of the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (the Rome Convention 1961) provided that users who broadcast phonograms must remunerate the producers of the phonograms (and/or performers of the material recorded on the phonograms).

copyright bestows a right of refusal. He adduced a right of remuneration, and prepared the way for various legislatures to enact royalty schemes that made possible the success of collective rights administration, even at the price of compelling unwilling or overwhelmed licensees to enter into contracts on terms that they opposed.

## 12 Reasoning of Justice Holmes

The case of *Herbert v Shanley* began at the instance of Victor Herbert, a prominent composer living in New York. Herbert knew that the 1909 US Copyright Act conferred on the authors of musical works the right to control public performances. The right was, however, restricted by a ‘for profit’ proviso which prevented the composer from controlling public performances other than ‘for profit’.<sup>100</sup>

By the time that he instituted proceedings in 1914, millions of gramophones played millions of records, and orchestras around the country played copyright music without recompense to the copyright owner. What constituted a public performance of music ‘for profit’ had by 1914 become an issue of significant economic concern.<sup>101</sup> In 1914, a number of publishers and composers, including Herbert and Irving Berlin, gathered in Manhattan and founded the American Society of Composers, Authors and Publishers—ASCAP. Herbert chose also, as proxy for ASCAP, to sue a popular restaurant and music venue, Shanley’s Restaurant, which employed an orchestra to play popular tunes, including songs composed by Victor Herbert.<sup>102</sup>

In 1913, Herbert had words with the restaurant proprietor Patrick Shanley, about the playing of his works in the café. Supposedly, Herbert said that since Shanley tendered an exorbitant bill for food and drink consumed while the orchestra played Herbert’s music, Shanley should pay him for the right to perform the music. Shanley informed Herbert that since he did not charge an entrance fee to the café, the café orchestra’s performance of copyright music was not ‘for profit’. Herbert resolved to disprove Shanley’s interpretation of the law.<sup>103</sup> Establishment of ASCAP followed, then institution of legal action, which proceeded in Shanley’s favour, through district and appeal courts, until reversal by the Supreme Court on 22 January 1917.

In 1915, Judge Learned Hand in the District Court in concluded that the performance of the orchestra at Shanley’s restaurant were intended to create a pleasant envi-

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<sup>100</sup> See Pallas Loren (2010).

<sup>101</sup> See, e.g., Atkinson (2007).

<sup>102</sup> The Shanley brothers, seven brothers from Ireland, operated a number of large restaurants in New York City from 1890 to 1925. The restaurants attracted celebrities as well as ordinary patrons. At one time the Shanley ran four restaurants concurrently.

<sup>103</sup> Herbert reputedly expressed a collegiate, as well as personal, reason for taking action, saying, ‘My God, if they’ll do this to my stuff when I can afford expensive lawyers, what aren’t they doing to the others? We’ve got to look after the b’ys.’ Quoted Sobel (1983), p. 3.



ronment in which customers consumed food.<sup>104</sup> The restaurant's profit came from food consumption, and its proprietor intended to obtain profit from the service of food. The Court of Appeals agreed.<sup>105</sup> Herbert, having expressed concern for the welfare of his 'boys', the composers less fortunate than him, who needed to scrape income from public performances of their works, appealed to the Supreme Court.<sup>106</sup> In an admirably short judgment (two pages), Justice Holmes agreed with the argument that if the public performance of music is implicated, even indirectly, in profit-making, then a share of the profit must be allocated to the author of the music performed.

In the last line of his judgment, Holmes said, '[w]hether it [the musical performance] pays or not, the purpose of employing it is profit, and that is enough.'<sup>107</sup> The crucial part of his reasoning is expressed in the assertion that unauthorised performance might, 'compete with, and even destroy the success of the monopoly the law intended the plaintiffs to have.' Competition implies a market but Holmes paid no attention to markets. His concern was monopoly, and the apparent necessity for monopoly to be rewarded by the requirement to pay copyright fees.

According to Holmes, the price paid for food also procured the music.<sup>108</sup> Holmes concentrated on the fact that copyright law confers 'monopoly', and conflated the copyright monopoly with associated market activity. If unauthorised public performance occurs in connection with some market activity—like the activity of selling meals in restaurants—then the composer's monopoly right over public performance is infringed or undermined if the owner is not remunerated for the public performance. Holmes found the Shanley Company liable to pay fees for the public performance of copyright music by the restaurant orchestra. Since Shanley paid the musicians to perform, their performances were 'for profit'. That restaurant patrons did not pay directly for the performances Holmes thought irrelevant.<sup>109</sup>

Justice Holmes expressed his attitude to the copyright owner's entitlement in an earlier sentence: 'The defendants' performances are not eleemosynary.'<sup>110</sup> The word

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<sup>104</sup> 222 F 344 (SDNY 1915).

<sup>105</sup> 299 F 2d 340 (1916).

<sup>106</sup> Sobel (1983), p. 3 quotes Herbert saying, 'My God, if they'll do this to my stuff when I can afford expensive lawyers, what aren't they going to do to the others? We've got to look after the b'ys.'

<sup>107</sup> *Herbert supra*.

<sup>108</sup> 'It is true that the music is not the sole object, but neither is the food, which probably could be got cheaper elsewhere. The object is a repast in surroundings that to people having limited powers of conversation or disliking the rival noise give a luxurious pleasure not to be had from eating a silent meal.' (*Herbert supra*).

<sup>109</sup> One writer friendly to the judgment suggests that Holmes had reason to recuse himself from the case for bias. See Pollock (2014), pp. 15–16: Holmes 'already the author of a favourable [minority] opinion in *White-Smith v Apollo* in 1908, approached the *Herbert v Shanley* decision of January 1917, having been in 1899 the plaintiff on the losing side of his late father's copyright battle over his book essays, *The Autocrat of the Breakfast Table*, which had fallen into the public domain over a technicality of the law. (Had he recused himself due to his personal feelings on the subject, would ASCAP, let alone popular music, have recovered and thrived?).'

<sup>110</sup> At 595.



‘eleemosynary’ means ‘pertaining to alms or charity’. Another word that Holmes could have used is ‘gratuitous’. In his opinion, unless a public performance of music, even if gratuitous, is disconnected from any profit-making activity, the performers, or their procurers, must pay to perform copyright musical works. Above all, Holmes’s judgment provided grounds for future would-copyright licensors to impute to copyright law a latent right of remuneration appurtenant to every copyright.<sup>111</sup>

### 13 Weaknesses in Holmes’s Reasoning

Holmes enjoined for the law a duty to protect the owner’s ‘success of the monopoly’,<sup>112</sup> meaning, presumably that government must guarantee payment for exercise of the public performance right, as it guarantees, for instance, repayment of bonds. For Holmes, the copyright holder must share in the revenue of any activity that in any way involved public performance of the copyright work. He proposed that unauthorised performance might ‘compete’ with the copyright monopoly,<sup>113</sup> yet neither in *Herbert v Shanley*, nor later disputes over radio broadcasters playing copyright music, could unauthorised users realistically be likened to competitors in a market.<sup>114</sup>

The language of competition in the context of royalties is inapposite. Unauthorised use—piracy in some but not all instances—is not competition. A market is the locus of competition between proprietary interests not a forum for enforcing what Holmes

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<sup>111</sup> Holmes’s judgment suggested a presumptive right of remuneration. However, copyright law does not recognise a general right of remuneration. Only phonogram producers and performers have won an explicit treaty right of remuneration. The Rome Convention Article 12 (Secondary Use of Phonograms) provides that users who broadcast phonograms must remunerate the phonogram producers and performers of the recorded work for the broadcast. The *WIPO Performances and Phonograms Treaty 1996* (Article 15) requires that the user who broadcasts phonograms or communicates them to the public must remunerate the phonogram producer and performer of the embodied work for broadcast of the work or its communication to the public. A WIPO Committee of Experts and the Council of Europe (Committee of Ministers) recognised (1989/1990) the right of copyright owners to receive remuneration for reprography and a WIPO group experts affirmed (1984) that the Berne Convention and UCC supported the right of the copyright holder to control all aspects of reproduction, including reprography and private copying for non-commercial purposes.

<sup>112</sup> *Herbert v Shanley* (1917) USC at 594.

<sup>113</sup> *Ibid.*

<sup>114</sup> Victor Herbert was a commercially successful composer of songs, orchestral pieces and light operas. His income derived mainly from the sale of sheet music copies of his works, and tickets to orchestral or operatic performances of his works. He was thus an actor in markets for the sale of music and tickets: willing buyers purchased copies of his works and tickets to performances of his works. It would be untrue to say that patrons of Stanley’s Café were willing buyers of tickets to performances of his works, that they attended the café to hear performances of his works, or that they demonstrated desire to pay to hear performances of his works at the café. In the absence of evidence of willing buyers, it is misleading to adduce a market for public performances of Herbert’s works outside a theatre of patrons who paid to hear his works performed.

called the rights-holder's 'monopoly'. Radio stations, the targets of music publishers demanding fees-for-performance, played music to attract listeners, and, in the case of commercial stations, advertisers. They did not compete in retail markets for records, although record companies alleged that broadcasting undermined sales.<sup>115</sup>

Justice Holmes's reasoning conflated the rights-holder's entitlement to treat (which derived from the statutory prohibition on unauthorised 'for profit' public performance) with the pecuniary benefit of a concluded licence agreement. Public performance, in any way connected with profit-making, must be remunerated, even if the unlicensed performance causes no harm to holder of the performing right.<sup>116</sup>

On analysis, Holmes appears to claim principally that a copyright activity coterminous to a distinct market activity must be compensated from income received from the market activity.<sup>117</sup> A obvious weakness of such an argument is that it offers no theory of value. Unauthorised copyright activity, such as the public performance of music in a restaurant, may not subtract from the economic welfare of the copyright owner, and a quantifiable utility value may not be attributable to the performance.<sup>118</sup>

Yet, according to Holmes, the performance must be remunerated. The nexus between the public performance of music at a restaurant, and payment for meals eaten at the restaurant, creates what Holmes presumably would have regarded as a moral obligation to pay for performing another's work. This is so even if the performance benefits the composer by causing patrons to purchase records of the music. It might be argued that utility value of the music, as it is played, is constituted by the pleasure given to diners, but Holmes did not make this argument, although he did

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<sup>115</sup> Whether or not this was the case, radio stations were not competing in a market for sale of records.

<sup>116</sup> By harm is meant reduction in income available to the rights-holder from contracts for performance or sale of recordings. Shanley's orchestral performance did not reduce contracted income. After Holmes's judgment, Herbert could have negotiated a licence with Shanley, and had Shanley refused to agree a fee, Herbert could have prevented him from performing his works. Holmes judgment, however, insisted that a fee must be paid, and in effect provided grounds for ASCAP to demand licence fees for all public performances of musical works. Note also the point, derided by collecting societies, that unauthorised performance may often advertise the work performed without authorisation. That advertising may benefit the rights-holder in recording markets.

<sup>117</sup> 'The defendants' performances are not eleemosynary. They are part of a total for which the public pays, and the fact that the price of the whole is attributed to a particular item which those present are expected to order, is not important.'

<sup>118</sup> Consider the case of one of Herbert's 'b'ys' (that is, 'boys'), the group of economically struggling composers known to Herbert in New York. We can say that unauthorised performance of their works by Shanley's orchestra might have encouraged patrons to seek out their individual public performances, or buy records of their music. We can say that a night at Shanley's might have encouraged some listeners to avoid attending or purchasing public or recorded performances of the works of individual b'ys. We cannot, however, say that unauthorised performance reduced the b'ys' prospects for securing contracts for performance or recording. The owner of a performance venue, or decision-makers at a gramophone company did not, if deciding whether to contract with a b'y, calculate the effect of unauthorised performance at Shanley's. If unauthorised performance entered the minds of these individuals they would presumably have regarded it as an indicator of the commercial viability of the b'y's work.

characterise Shanley's as a venue for those seeking musical diversion as much as conversation.<sup>119</sup>

Holmes conception of the copyright holder's entitlement to remuneration paved the way for government acceptance of collective rights administration, and is implicit in judicial reasoning about the application of collective rights. Justice Sir William Owen, who presided over the Australian Royal Commission on Performing Rights in 1932–1933, and his advisor John Keating, did not waver from the belief that APRA must be remunerated for public performance of its members' works.<sup>120</sup>

## 14 Feudal Comparison

A comparison between two apparently disparate property systems, those of copyright and feudalism illustrates how property systems, unless shaped by an ethos of free agency (such as that underlying modern contract law) tend towards paratrophic process.<sup>121</sup> Feudalism shows especially how a society's constitutional settlement precedes and accompanies the growth of property relations and how a property system distributes advantage and prerogative. The following is a brief summary of the growth and practice of probably the outstanding example of a paratrophic system.

Following the Holy Roman Empire's ninth century collapse into chaos and war, a system of feudal tenure, responding to political instability and threat of violence, began to emerge in western Europe.<sup>122</sup>

Landholders, small and larger, pledged themselves vassals to martial protectors, exchanging title to their land for their lords' military protection. The lord became owner and the vassal became tenant of a fief, that is, alienated land in which the tenant holds an estate. A hierarchy of vassalage emerged which determined subordination of one class to another, beginning with peasant or serf and ending in service

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<sup>119</sup> Holmes does not seem to have been particularly interested in the state of mind of diners. He did consider patrons of Shanley's to have 'limited powers of conversation' and to be apparently uninterested in 'eating a silent meal'.

<sup>120</sup> See Atkinson chapters 5–8.

<sup>121</sup> Language is possessive and language predicts action. Humans throughout history have sought to possess their surroundings and unsurprisingly the property theory of settled peoples is concerned with possession. Rival claims for possession must lead to contest, which results in sovereignties and property systems that reinforce sovereignties. Naturally property systems expressing the prerogatives of the sovereign and associates will be designed to benefit the sovereign group.

<sup>122</sup> Some historians of the feudal period contest the meaning of feudalism. Since the 1970s, a dominant school of thought has argued that the word 'feudalism' does not describe the reality of social life in the pre-medieval and medieval periods, when conditions across Europe and within countries varied greatly. The traditional narrative argues the appearance in Europe, over time, and at different times, of a largely uniform phenomenon called feudalism. See, for example, the different analyses of two leading scholars, Bloch (1940) and Brown (1974). Feudalism, wherever it occurred, instituted a system of social subordination governed by relationship to land, a relationship which enabled those with more land to exert more social control.

to the supreme lord, the king (who in turn owed allegiance to God).<sup>123</sup> The practice of subinfeudation permitted grantees of fiefs, from the great lords to lesser nobility, to grant subordinate fiefs, the holders of which owed duties to their lord and king. Some lords, however, received, by direct gift from the king, fiefs unsubordinated to the fiefdom of any other title-holder. These nobles were tenants-in-chief, the peerage, who owed duties to the king alone.

In England after the Norman conquest, political and property systems co-identified the crown as the source of constitutional authority. The crown was, before the thirteenth century, legal innovator, interdicting, or trying to prevent, practices undermining its supremacy, such as franchising, subinfeudation, church land acquisition, and alienation of estates.<sup>124</sup> Courts innovated by recognising a legal device of uses and trusts, disliked by the crown because of its potential to facilitate tax avoidance.<sup>125</sup>

The crown, declared by the conqueror as the source of authority for law, political action, title and conveyance,<sup>126</sup> remains in England, and some other common law countries, title-holder-in-chief, authorising conveyance in fee simple, which, in theory, is a grant of lease.<sup>127</sup> The legal system, instrumentally compelled to uphold constitutional settlement, is, in obeying that settlement, conservative and reactionary. It *conserves* the settlement, as it is constitutionally bound to do, and *reacts* to systemic challenge by doing whatever political consensus deems the constitutional settlement to require, including protecting the property system.

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<sup>123</sup> The direct hierarchy of allegiance was serf to knight, and knight to baron, and baron to earl, and earl to count, and count to duke, and duke to king.

<sup>124</sup> For the entirety of the feudal period in England the crown contended with the great earls. The same pertained in France, although the centralising authority proved less successful in restraining the power of great nobles. In England, greater nobles and church sometimes established *franchises* and *palatinates*. The great palatinates were not rivals to the king's power, nor insurrectionary. They administered the king's justice semi-autonomously. But they could be loci of insubordination, seeking to avoid dues and obligations owed the crown. Franchises and palatinates were not altogether dissimilar from the territories of gang bosses. See Cam (1940).

<sup>125</sup> Uses, abolished by Henry VIII, and trusts, allowed great families to retain beneficial entitlement to land controlled by another and trusts became instruments widely used to avoid tax or to govern beneficial use of property. In the centuries after Henry's death in 1548, as the economic revolution he initiated continued, courts recognised freehold and leasehold, and continued to develop the law of trust. Through the centuries, and the vicissitudes of the crown's contests with nobility and then parliament, courts never varied in accepting the crown's primacy as constitutionally-agreed source of political authority.

<sup>126</sup> William I promulgated only one law during his reign (1066–1087). Beginning, 'Here is shown what William the king of the English, together With his princes, has established since the Conquest of England ... ' the decree in 10 parts establishes a requirement of loyalty to William and his noblemen, and maintains the existing land system as amended by Norman laws of property (<http://avalon.law.yale.edu/medieval/lawwill.asp>; source Henderson 1896).

<sup>127</sup> Since feudal times, the status of land conveyed under the English system is that the office of crown—therefore the monarch—is title-holder-in-chief, meaning that ultimate title to land granted by the crown remains with the crown. Land conveyed is reversionary: it reverts, in theory, to the crown on demand.

Under the manorial system that accompanied growth of feudalism, the manorial lord, himself vassal to a greater lord, extracted rent from those (serfs and freemen) who were exempt from dues that indicated servility—such as merchet, a payment due by the peasant to the lord for permission for his daughter to marry—and those (villeins), who tilled the lord's land, as well as their own. Although they laboured gratuitously for a lord, villeins owed dues additional to rent. Cottagers owned a cottage dwelling and sufficient land for subsistence. Below them slaves formed part of the lord's manor, and laboured for subsistence.<sup>128</sup>

The freeman, who might be obliged to supply military service, paid rent to his lord and he and his household cultivated their acres for themselves. Serfs provided unremunerated labour to their lords for many days of the year. The serf paid other dues including: relief,<sup>129</sup> heriot,<sup>130</sup> tallage,<sup>131</sup> toll,<sup>132</sup> and mortuary.<sup>133</sup> The serf could not quit the lord's manor without permission, and for the privilege to leave must pay a fee.

The lord in effect granted his tenants usufruct contingent on satisfying fiscal obligation, but a right of subsistence was not more than a necessary device to maintain the obedience of a servile population. It could not be said, as some commentaries argue, to constitute consideration provided by the lord to institute a contract of service.

The inferior titles of feudalism were designed always to benefit, and enrich, the lord.<sup>134</sup>

<sup>128</sup> For a brief sociology of feudal hierarchy, depicted as the expression of 'patriarchal authority' see Weber (1922/1964) (first publ 1922 as Part 1 of *Wirtschaft und Gesellschaft*).

<sup>129</sup> If a householder's land was heritable, and not merely a life estate, his heir's entitlement to inherit, and the household's to continue to occupy the land as of right, on payment of relief. Until 1267, and abolition (England) of so-called 'premier seisin', the lord could claim the product of the devised estate until the heir paid relief, a right (premier seisin) which caused some lords to claim unreasonable heriot, thus delaying transfer and enabling the lord to profit from the household's output.

<sup>130</sup> The lord's right, on death of the householder, to appropriate the household's best animal or chattel.

<sup>131</sup> Annual household tax assessed on quantum of rent paid/size of rented landholding and livestock owned.

<sup>132</sup> If the lord's exercised his right of refusal to buy any animal that a peasant wished to sell, the peasant was required to pay tax to lord on the price of sale to another person.

<sup>133</sup> On death of the householder, his family was required to donate to the appropriate ecclesiastical authority the household's second best animal.

<sup>134</sup> See Jean Froissart *Chronicles of England, France, Spain, and the adjoining countries, from the latter part of the reign of Edward II to the coronation of Henry IV* (1361–1400) John Alden NY 1884 at 283: 'It is customary in England, as well as several other countries, for the nobility to have great privileges over the commonalty, whom they keep in bondage; that is to say, they are bound by law and custom to plough the lands of gentlemen, to harvest the grain, to carry it home to the barn, to thrash and winnow it: they are also bound to harvest the hay and carry it home. All of these services they are bound to perform for their lords, and many more in England than in other countries. The prelates and gentlemen are thus served.' Jean Froissart (d 1410) was a French *ex officio* literary courtier at the King Edward III's court and chronicled social and life in France and England in the last third of the fourteenth century, during the period of the 100 Years' War.

## 15 Compulsory Character of Paratrophic Systems

What binds, in character, feudal and copyright estates is that each permits practices of compulsion and exploitation.<sup>135</sup> Compulsion and exploitation in the exercise of a class of proprietary rights is not possible without government consent. It follows that feudal tenure arrangements expressed the will of the polity, as do characteristic licensing agreements enjoined by copyright industries, or their representatives. If copyright arrangements exclude, indirectly contributing to social inequality, they do so because government consents to such exclusion, and supplies its machinery.<sup>136</sup>

A consequence of similarity between copyright and feudal estates, and dissimilarity with the freehold estate, is that the copyright holder is placed by law in a position not akin to, but approximating, that of the feudal lord. The copyright holder is a licensor who, as noted, offers notional possession and secures fees for issuing various kinds of licence. Varieties of licence, principally connected with public performance, inflate the cost of access, excluding many consumers. The cost of licensed access to educational information raises a problem of social deficit, in developed,<sup>137</sup> and especially, less-developed countries.<sup>138</sup>

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<sup>135</sup> Probably the strongest evidence in support of Marx's description of the oppressive character of feudal relations is supplied by Froissart, when he seeks to discredit the priest John Ball, a leader of the Peasants Revolt, who was hanged, drawn and quartered in the revolt's immediate aftermath (15 July 1381). Froissart wrote (at 283): 'A crazy priest in the county of Kent, called John Ball ... would say, "My good friends, things cannot go on well in England, nor ever will, until everything shall be in common; when there shall be neither vassal nor lord, and all distinctions levelled; when the lords shall be no more masters than ourselves. How ill they have used us! And for what reason do they thus hold us in bondage? ... and what can they show, or what reasons give why they should be more the masters than ourselves? Except, perhaps, in making us labour, and work for them to spend ... but it is from our labour that they have wherewith to support their pomp. We are called slaves; and if we do not perform our services, we are beaten, and we have not any sovereign to whom we can complain, or who wishes to hear us and do justice."'

<sup>136</sup> By legislation recognising copying, communication and public performance rights, and, in the case of copying and public performance rights, establishing tribunals to determine equitable remuneration for exercise of those rights.

<sup>137</sup> See Statement of Professor Stuart M. Shieber, faculty director Harvard Office for Scholarly Communication, before the congressional Committee on Science, Space and Technology, Subcommittee on Investigations and Oversight, 29 March 2012: *Libraries can buy access to a journal's articles only from the publisher of that journal, by virtue of the monopoly character of copyright. In addition, the high prices of journals are hidden from the 'consumers' of the journals, the researchers reading the articles, because an intermediary, the library, pays the subscriptions on their behalf. The market therefore embeds a moral hazard. Under such conditions, market failure is not surprising; one would expect inelasticity of demand, hyperinflation, and inefficiency in the market, and that is what we observe. Prices inflate, leading to some libraries cancelling journals, leading to further price increases to recoup revenue—a spiral that ends in higher and higher prices paid by fewer and fewer libraries.*

<sup>138</sup> Dispersed primary data on the effect of serials' pricing on library subscription practices in less developed/least developed countries is difficult to find. Subscription uptake in some of those countries is reportedly minimal or non-existent. The budgetary difficulties caused by the cost of subscriptions in wealthier jurisdictions predict that price of serials is likely to substantially preclude

## 16 Conclusion

This chapter explains, using the example of the copyright royalties system, how the allocation of proprietary rights, and the property systems created by rights allocation, are designed to accrue benefit—for a minority. That is, the property system functions to distribute the most benefit to those who designed the system, usually an aristocracy or particular social group. While property systems are distributive instruments to the extent that the rule of law, contractual autonomy and voluntariness establish norms of probity, fairness and free exchange, if these norms are absent, property relations are paratrophic.<sup>139</sup>

The paratrophic pattern is apparent in societies in which government, for reasons of history and culture, collaborate with owners, especially those who own the most, and dis-identify with those who own little or nothing. Government tends to support paratrophic arrangement unless history, culture and accident create countervailing disposition in favour of fairness and distribution of ownership. Such disposition is rarer in developed countries than their politics proclaim.<sup>140</sup> Modern political settlements in favour of rights and freedom of expression and movement do however also encourage some distributive dynamism. A completely paratrophic system, like feudalism, discourages distribution altogether. The royalty system is intermediate in effect. It does confer on licensees the considerable benefit of regulated access to

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dissemination via academic serials in poorer countries. On 17 April 2012, in a memorandum on journal pricing to all schools, faculties and units, Harvard University's Faculty Advisory Council advised an 'untenable situation facing the Harvard Library.' Journal costs approached \$3.75 million, and some titles cost \$40,000 annually. The price of two journals inflated 145% in 6 years. Publisher profit margins reached 35%. (Faculty Advisory Council Memorandum on Journal Pricing re Periodical Subscriptions. Refer <http://isites.harvard.edu/icb/icb.do?keyword=k77982&abgroupid=icb.tabgroup143448>).

<sup>139</sup>An interesting aspect of analysis of the paratrophic process—involving sequestration and transfer of benefit to a minority of people and corporations—is what might be called a struggle between the paratrophic actors and sometimes countervailing institutions. Perfect success for paratrophic actors is to co-opt institutions of state but many institutions are intended to resist claims for regulatory favours of extension of proprietary rights. Courts, for example, should in theory be immune from special pleading about proprietary rights even though courts can be said to have ratified paratrophic property arrangements. In the case of copyright regulation, many people argue that copyright institutions, such as the World Intellectual Property Organization and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), observe property mores while heeding the public wish for access to information. The argument assumes that paratrophic process accommodates the preferences of those who reject prohibition and the imposition of rent. The evidence gathered in this chapter does not much support the accommodation argument. Principles of property and access are not reconcilable, and it falls to the state to create and enforce laws of access. The TRIPS Agreement is said by some to be an instrument of access, but in practice it seems to function as an agent of paratrophic actors. See, e.g., Drahos (2002).

<sup>140</sup>Piketty (2014) argued that only in the 30 years after the second world war, during a period of massive US investment in European reconstruction, did return on growth exceed return on capital. One meaning of this statistic is that outside that 30 year period, developed countries did not significantly redistribute wealth or property, although many countries very significantly redistributed income.



copyright material. It also imposes, for the benefit of licensors, large cost and restriction.

Problems caused by rent-seeking and paratrophic behaviour are primary problems of property systems. Each results from a failure of social compact that creates a distributive problem. Consequent upon political decision—which is socially determined—benefit is distributed unevenly by allocation of proprietary rights. Economic actors vested with greater proprietary rights strike unequal bargains with those with inferior rights, or without rights, and exact rent, either through bargains made in a market (e.g., residential rental bargains) or outside a market (e.g., exaction of royalties).

The royalties system is the product of collusion between government and copyright industries, a collusion which principally benefitted the latter. The public is not benefitted if it is excluded from bargaining that insists that rent is owed copyright holders, and some fees at least must be paid from the public pocket. Yet often enough the actors usurped principle unthinkingly. They assumed the rightness of a primary paratrophic principle: ownership is reward. The owner, like the feudal lord, must be paid dues, and the right of remuneration overrides the ordinary expectation that price is determined by negotiation between parties, either of whom may withdraw from negotiation.

In the case of APRA's dispute with radio broadcasters in the 1920s and 1930s, and the broadcasters' dispute with EMI, the record does not disclose intent on government's part to favour industries. On the contrary, government acted conscientiously to resolve commercial animosity. The warring parties were not very interested in its efforts. The broadcasters requested a royal commission on performing rights, which APRA and EMI opposed.<sup>141</sup> However, government and industries came together united by agreement that a price must be paid, and they ultimately settled on a royalties system that made collective administration work—for the industries' benefit.

Do practical consequences potentially flow from these observations? Disturbance of the royalty system seems unlikely. It is worth pointing out that in theory, the system of tribunal, equitable remuneration and inflating fees, created and guaranteed by government for the benefit of industries, could be abandoned without insulting treaties or protocols. Let the industries deal themselves, as best they may, with alleged market failure. If they cannot secure bargains, they have no market, and that is their mishap but not one that will upset society or cause the industries much financial privation. So far as practicable public policy is concerned, a legislative reform that may be realisable is provision in competition or consumer law for an unam-

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<sup>141</sup> APRA did not seek a royal commission on performing rights, nor a copyright tribunal. As noted, its preferred strategy was, in the words of Purcell, the barrister for the Cinematograph Exhibitors' Association (addressing the royal commissioner Justice Owen), to behave, 'like a dragon, devastating the countryside.' (NAA A467 SF1/43). APRA felt confident that if left alone, it could through courts, extract maximal prices from radio broadcasters.

biguous statement that nothing in the law is proof against the principle of consumer sovereignty.<sup>142</sup>

This chapter has explained paratrophic action chiefly by discussing the copyright royalty system and the feudal system. The royalty system is substantially paratrophic but not entirely. It relies on a disposition of rights—and the justification for these rights is disputable—which has created a workable economy of pay-for-use. An inordinate price is paid but a benefit is delivered, albeit that an approximating benefit could—but for the intervention of vested interest, politicians and law—be enjoyed gratuitously or at lower price. By contrast, the feudal system is entirely paratrophic. The reader of history struggles to see what benefit the system provided to its serfs and villeins other than protection against starvation and violence. The unifying paratrophic characteristic of both systems is that they arrange society for the benefit of owners.

This phrase may be said to concisely describe paratrophic action: the arrangement of society for the benefit of owners. In general, the more a person owns, the more a person benefits. It can be seen, then, that paratrophic action is excluding. Allowing for rental markets, ownership is exclusive. The whole is possessed against the world, and if the world tries to possess any part of the whole, the world is a trespasser. Outside the compass of ownership is exclusion from its governance of things political, economic, legal, and social, a governance which ensures that ownership is reward.

Ownership is control, non-ownership is contingency. It follows that paratrophic action is the harbinger of social inequality, wherever it is found in the world and in whatever form. The paratrophic actor seeks to control and the instrument of control is possession. The more that possession is concentrated the more that are excluded. By defining and accumulating more proprietary rights, paratrophic actors disinherit those without proprietary rights. Paratrophic process is immanent in every property system. The royalties system is the product of that process. By looking at larger property systems we can identify how the process of concentration and exclusion creates social inequality.

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<sup>142</sup>In Australia, the Productivity Commission *Intellectual Property Arrangements* Inquiry Report 23 September 2016 recommended (Rn 15.1) that Australian Government should repeal section 51(3) of the *Competition and Consumer Act 2010* (Cth), repeating the identical recommendation in the Commonwealth's 2014 *Competition Policy Review*. Section 51(3) exempts from the application of competition law conditions in IP licences or assignments of IP rights in patents, registered designs, copyright, trademarks and circuit layouts. Section 51(3) has not been repealed, which means that copyright licensors can restrict access to, and use of, copyright material in ways that would be considered anti-competitive if retailers or suppliers of excludable goods were to impose restrictions on the sale or licensing of their product. The issue for consideration in principle is why any industry should be legally permitted to avoid competition rules intended to maximise consumer welfare.

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# Copyright According to Google



Joanne Gray

## 1 Copyright Policy in the Digital Age

Like the universe after the Big Bang, copyright appears in a permanent state of expansion. Originally a law for regulating book printing, today, copyright regulates a broad range of subject matter and activities. At its core, it is a monopoly right granted to authors of original, creative works, providing exclusive rights over a work, chiefly the exclusive right to copy. Manifestly, however, copyright extends well beyond the right to reproduce a work. Copyright regimes grant copyright owners an assortment of rights, facilitating the control and commodification of a work, and include countless laws crafted to enforce those rights. Conventionally, these rights are justified as natural property claims accruing to the creator of a work<sup>1</sup> and as necessary to incentivise creative practice.<sup>2</sup>

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<sup>1</sup> The labour and personhood theories of copyright justify private property as a natural consequence of authorship. The labour theory of intellectual property is grounded in the Lockean theory of property rights. Locke proposed a person could obtain a right to property by applying their labour to goods held in common. See Locke (1821). The theory suggests, '[o]ur handiwork becomes our property because our hands -- and the energy, consciousness, and control that fuel their labor -- are our property.' Hughes (1988), p. 302. The personhood theory of copyright suggests property embodies a person's will and personality. See Hegel (2008). Private property is necessary 'for self-actualization, for personal expression, and for dignity and recognition as an individual person.' Hughes (1988), p. 330.

<sup>2</sup> The incentive theory of copyright suggests, given the non-excludable and non-rivalrous nature of creative works, if protected from competition, authors will be able to exclusively sell their work and earn income, creating an economic incentive to create. Authors will make supply and pricing decisions based on their expectations of price-sensitive consumers, seeking a balance between high profits and high sales. Rational, self-interested participants in the market create a system efficiently allocating resources, to the benefit of all. See Landes and Posner (1989). Also Frischmann (2007), p. 666.

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With the objective of balancing the private interests of authors against the interest that the public has in accessing and using information and creative works, copyright regimes also include exceptions and limitations to the exclusive rights granted to authors. The preamble of the World Intellectual Property Organisation (WIPO) Copyright Treaty recognises ‘the need to maintain a balance between the rights of authors and the larger public interest, particularly education, research and access to information’.<sup>3</sup> Exceptions such as fair use or fair dealings provisions recognise the benefits of permitting some copying without requiring permission from or remuneration to copyright owners. For example, the Australian fair dealings provision specifies exceptions for research or study, criticism or review, parody or satire, reporting news or professional advice.<sup>4</sup> Alternatively, the US fair use exception is flexible, the provision providing an illustrative list of uses only.<sup>5</sup>

Exceptions and limitations form part of copyright regimes that have grown substantially in both size and complexity. Consequently, the regulatory effect of copyright is far reaching. From anti-circumvention laws that regulate car repairs<sup>6</sup> to liability for operators of public Wi-Fi networks<sup>7</sup> to international treaties that restrict access and use of knowledge in developing countries<sup>8</sup> to a decade long legal dispute over a mother’s YouTube video of her toddler dancing to a Prince song.<sup>9</sup> Today, copyright regulates markets for media and entertainment content, the development and administration of new technologies, access to and use of information, as well as social communications.

Although the expansion of copyright is not new to the digital age, features of the digital environment amplify its effects. Eliminating the need for physical resources, digital technology enables near costless and limitless copying and distribution of creative works. However, online copyright infringement is only one part of the digital copyright story. The advancement of digital information and digital communication networks has linked copyright to more aspects of society. Daily online activities, such as working, shopping, emailing, blogging, banking, gaming, watching television, reading, remixing, chatting, Tweeting, sharing photos and all the different technologies that make these activities possible, all implicate copyright. Characteristically, digital technologies copy in order to function,

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<sup>3</sup> *WIPO Copyright Treaty*, signed 20 December 1996 (entered into force 6 March 2002).

<sup>4</sup> *Copyright Act 1968* (Cth) s40, s41, s42, s43, s41A; *Copyright Amendment Act 2006* (Cth).

<sup>5</sup> 17 U.S. Code § 107.

<sup>6</sup> Library of Congress U.S. Copyright Office 37 CFR Part 201 [Docket No. 2014-07] *Exemptions to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies*.

<sup>7</sup> *Tobias McFadden v Sony Music Entertainment Germany GmbH* (C-484/14) [2016] ECLI-EU, 170.

<sup>8</sup> For example, art 18.63 of the Trans-Pacific Partnership Agreement would require Vietnam, Malaysia and Brunei to increase the length of copyright term to the life of the author plus 70 years. *Trans-Pacific Partnership Agreement*, signed 4 February 2015 (not yet in force).

<sup>9</sup> *Lenz v Universal Music Corp.*, 815 3d 1145 (9th Cir, 2015).

contributing to an infinite global catalogue of copyrighted works and perpetual copying.<sup>10</sup>

The decision to apply analogue-era copyright doctrine to the digital environment was a negotiated policy choice. As internet usage increased throughout the world in the 1990s, the question of an appropriate digital copyright regime came into focus for policy-makers and affected industries. In the US, a White Paper produced for the Clinton Administration in 1995 put forward a policy agenda that would deliver copyright owners comprehensive control within the digital ecosystem.<sup>11</sup> Through various recommendations, it presented a framework under which every use of a work in any digital form—including non-consumptive, transitory uses such as those created in a computer's random access memory—would potentially require permission from and remuneration to copyright owners.<sup>12</sup> As James Boyle assessed, if the proposals of the White Paper were adopted the information superhighway would have become 'an information toll road.'<sup>13</sup>

The White Paper laid bare the content industries' digital copyright policy agenda.<sup>14</sup> They sought maximum control in the digital environment and laws to preserve and expand their private property interests. The justification offered for their framework was that it was necessary to ensure works were made available digitally and to encourage investment in digital infrastructure.<sup>15</sup> This justification proved unconvincing. Various library, education, public interest and consumer organisations, along with industries such as telecommunications, manufacturing and internet service providers, worked with law professors to successfully oppose the White Paper

<sup>10</sup>To serve the more than three billion people using the internet today, information must be copied. For internet usage figures see International Telecommunications Union, *Facts and Figures 2016* <http://www.itu.int/en/ITU-D/Statistics/Documents/facts/ICTFactsFigures2016.pdf>.

<sup>11</sup>The Report of the Working Group on Intellectual Property Rights, 'Intellectual Property and the National Information Infrastructure' (September 1995) <http://www.uspto.gov/web/offices/com/doc/ipnii/ipnii.pdf>.

<sup>12</sup>The White Paper delivered control through three key proposals. First, it proposed that a digital transmission of a work be categorised as a distribution of a copy. Second, it took the position that temporary reproductions made in the random access memory of a computer were reproductions subject to copyright. Third, it recommended making illegal any product or technology capable of circumventing a technical protection measure.

<sup>13</sup>Boyle (1997), p. 135.

<sup>14</sup>At the time, the White Paper was recognised as heavily biased in favour of content industries. It was produced by Clinton Administration staff with professional ties to the US content industries who reportedly 'maintained extensive informal communications with private-sector copyright lobbyists' while doing so. Litman (2001), p. 90. See also Samuelson: 'Why would the Clinton administration want to transform the emerging information superhighway into a publisher-dominated toll road? The most plausible explanation is a simple one: campaign contributions. The administration wants to please the copyright industry, especially members of the Hollywood community, who are vital to the president's reelection bid. And what this copyright industry wants in return is more legal control than ever before over the products they distribute.' Pamela Samuelson, 'The Copyright Grab', *WIRED* (online) <http://www.wired.com/1996/01/white-paper>.

<sup>15</sup>Information Infrastructure Task Force, 'National Information Infrastructure: Progress Report' (September 1993–1994) <https://babel.hathitrust.org/cgi/pt?id=umn.31951d00269995v;view=1up;seq=13>. For a more detailed discussion see Samuelson (1996), pp. 369, 379.

and its accompanying legislation.<sup>16</sup> Nonetheless, the White Paper proposals became the US policy position at the proceeding WIPO treaty negotiations.<sup>17</sup>

The WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty (the Internet Treaties) mark an important moment in the history of digital copyright: they formally imported copyright doctrine from the analogue age into the digital age and set a path for expanded rights for copyright owners.<sup>18</sup> In particular, they determined that digital transmissions would be considered communications to the public under copyright law.<sup>19</sup> They also included an anti-circumvention requirement for member states,<sup>20</sup> propelling an expansion of copyright from a copy-control right to an access-control right.<sup>21</sup>

Since the negotiation of the Internet Treaties, in domestic and international fora, content industries have continued to lobby for stronger copyright laws and expanded rights in order to maximise control online. In the US in 2011, the Stop Online Piracy Act (SOPA) and the Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act (PIPA) proposed measures to expand the liability of and obligations for intermediaries to enforce copyright including, for example, requiring internet service providers, search engines, digital advertising networks and online payment systems to block or cease servicing websites associated, even indirectly, with copyright infringement.<sup>22</sup> The Anti-Counterfeiting Trade Agreement (ACTA) of 2011, a multilateral intellectual property treaty, proposed increasing criminal penalties for copyright infringement.<sup>23</sup> Even the spectre of the 1995 Clinton Administration White Paper continues to haunt copyright policy-making. For example, an early draft of the US proposals for the Trans Pacific Partnership (TPP) agreement included a provision categorising transitory copies as reproductions.<sup>24</sup> In a 2013 review of European Union copyright laws, the European Commission sought

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<sup>16</sup> Litman (2001) p. 122.

<sup>17</sup> Samuelson (1996), p. 373.

<sup>18</sup> Ibid 435. *WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty*, signed 20 December 1996 (entered into force 20 May 2002). WIPO describes the purpose of the treaties as ‘address[ing] the challenges posed by today’s digital technologies, in particular the dissemination of protected material over digital networks’. *WIPO Internet Treaties*, [http://www.wipo.int/copyright/en/activities/internet\\_treaties.html](http://www.wipo.int/copyright/en/activities/internet_treaties.html). This language is revealing: the challenge identified was not ‘how best to take advantage of the economic and social benefits of digital technology and new forms of social dissemination of knowledge’ (for example) but rather the challenge for policy-makers was how best to preserve private property rights. And so the terms of the debate were set.

<sup>19</sup> *WIPO Copyright Treaty* art 8.

<sup>20</sup> *WIPO Copyright Treaty* art 11.

<sup>21</sup> As Jessica Litman describes, ‘[a]t no time, however, until the enactment of the access-control anti-circumvention provisions of the DMCA, did Congress or the courts cede to copyright owners control over looking at, listening to, learning from, or using copyrighted works.’ Litman (2001), p. 176.

<sup>22</sup> *Stop Online Piracy Act* H.R. 3261, 112th. Cong. (2011) and *Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act*, S. 968, 112th Cong. (2011).

<sup>23</sup> *Anti-Counterfeiting Trade Agreement*, signed 1 October 2011 (not yet in force).

<sup>24</sup> Trans-Pacific Partnership Intellectual Property Rights Chapter Draft art 4.1 (February 10, 2011) <http://keepthewebopen.com/assets/pdfs/TPP%20IP%20Chapter%20Proposal.pdf>.



public comments on whether transitory copies (and hyperlinks) should be subject to the authorisation of copyright owners.<sup>25</sup> As digital technologies have eroded barriers to accessing information and cultural works, policies for controlling and constraining access have been offered in response.

At the individual policy level the content industries have experienced varying success in accomplishing their digital copyright agenda, but they have had overwhelming success in setting the terms of the debate. From the White Paper, to the Internet Treaties, to the TPP, copyright is primarily debated in terms of private property rights. Digital copyright issues are understood in terms of infringement: file sharing, downloading, streaming, are all associated with piracy and illegality. Content industries are ‘victimized’ by new technology and its users.<sup>26</sup> Access without permission and remuneration is the central copyright problem. Critically, by successfully framing the debate in this way, the content industries have tipped the policy balance in their favour. More is said of the role of exclusive rights and less is said of the role of exceptions and limitations to copyright.<sup>27</sup> Less is said of the balance between private and public interests. As Julie Cohen relates, ‘[c]ontemporary copyright discourse increasingly prefers a much more simplistic form of property-based reasoning, within which limitations are relegated to the margins.’<sup>28</sup>

## 2 Copyright According to Google

It is unsurprising that the world’s largest internet company,<sup>29</sup> one built upon organising and providing access to information,<sup>30</sup> finds itself centre-stage in digital copyright debates. Google has developed technologies and services that have transformed modern societies and economies by exploiting, harnessing and advancing digital information and communication networks. Google founders Larry Page and Sergey Brin claim Google began with the question: ‘[w]hat if we could download and index the entire web?’<sup>31</sup> Google began by copying content and it continues to copy today: organising and facilitating access to digital information often, if not always, requires an act of copying. When doing so, Google has, perhaps by necessity, taken a view of copyright that differs from the one proffered by content industries.

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<sup>25</sup> Google, ‘Public Consultation on the review of the EU copyright rules’, 1, 9, 7 [http://ec.europa.eu/internal\\_market/consultations/2013/copyright-rules/index\\_en.htm](http://ec.europa.eu/internal_market/consultations/2013/copyright-rules/index_en.htm).

<sup>26</sup> Harmon (2003).

<sup>27</sup> Cohen (2014), p. 13.

<sup>28</sup> Ibid.

<sup>29</sup> At time of writing, Alphabet Inc. market capitalisation is over 500 billion USD, followed by Amazon at approximately 340 billion.

<sup>30</sup> ‘Google’s mission is to organize the world’s information and make it universally accessible and useful.’ Google, *Company Overview* <https://www.google.com/about/company>.

<sup>31</sup> Google Inc., Annual Report 2014, 2.

For Google, a starting point for copyright policy is recognition of the critical importance of the internet and digital technology to the way in which modern economies and societies function. In a 2013 submission to the Australian Law Reform Commission (ALRC), Google urged the commission to recognise ‘the internet is the critical infrastructure of the digital economy... [and] ensuring its effective functioning is absolutely core to the public interest.’<sup>32</sup> The implication is that copyright policy-makers should be mindful of the social and economic costs of creating vast systems of regulation and liability. In a 2013 submission to the European Commission, Google argued that relying on the concept of individual ownership of a physical work in order to assess liability in a system that exists via ‘the making and dissemination of copies of information’<sup>33</sup> places the law ‘at odds with current technology.’<sup>34</sup> Google argued that policy-makers should recognise that now most creative works and uses of creative works are transitory, non-professional and personal.<sup>35</sup> Content industries, Google explained, ‘now co-exist with a larger creative community’<sup>36</sup> and traditional copyright debate ‘often fails to capture new forms of creativity and new opportunities that are in the process of emerging.’<sup>37</sup> For Google, the technological and social developments of the digital era require a broadened understanding of copyright, creativity and technology.

Google considers exceptions and limitations critical to balanced and effective copyright. Google sees exceptions and limitations as appropriately permitting some access and use of information—without requiring permission from and remuneration to copyright owners—in order to foster creativity and innovation. Additionally, Google claims strong exceptions and limitations to copyright are the most effective policy tool for reducing online copyright infringement. Google views online copyright infringement as a supply and pricing problem, the solution to which is ‘new business models and a free marketplace for legal purchasing of content.’<sup>38</sup> Google deems two doctrines to be most critical: a flexible fair use provision and safe harbours for online intermediaries. For Google, these two provisions are the ‘pillars of the United States copyright framework that enable it to cope with the challenges of rapid technological advance’.<sup>39</sup> The following sections explore Google’s assessment of fair use and intermediary safe harbours in further detail.

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<sup>32</sup> Google, ‘Google submission to ALRC discussion paper Copyright in the Digital Economy (ALRC DP 79)’, 1, 17 [http://www.alrc.gov.au/sites/default/files/subs/600.\\_org\\_google.pdf](http://www.alrc.gov.au/sites/default/files/subs/600._org_google.pdf).

<sup>33</sup> Google, ‘Public Consultation on the review of the EU copyright rules’, above n 25, 16.

<sup>34</sup> *Ibid.*

<sup>35</sup> *Ibid* 13.

<sup>36</sup> *Ibid* 14.

<sup>37</sup> *Ibid.*

<sup>38</sup> Letter from Iarla Flynn Head of Public Policy Google Australia to The Hon Malcom Turnbull MP Minister for Communications, ‘Deregulation: Initiatives in the Communications Sector’ (17 December 2013), 5 [https://www.communications.gov.au/sites/g/files/net301/f/webform/hys/doc/Google\\_0.pdf](https://www.communications.gov.au/sites/g/files/net301/f/webform/hys/doc/Google_0.pdf).

<sup>39</sup> Google, ‘Submission to the Independent Review of Intellectual Property and Growth (UK)’ (March 2011), 4.1 <http://webarchive.nationalarchives.gov.uk/20140603093549/http://www.ipo.gov.uk/ipreview-c4e-sub-google.pdf>.

## 2.1 *Fair Use According to Google*

In 2010, Google submitted to the UK government that a flexible fair use provision is critical to effective and balanced copyright policy.<sup>40</sup> Unlike a static list of exceptions, a flexible fair use provision allows courts to ‘respond quickly and responsibly to ever evolving cultural developments, technologies markets and creative processes without the need for further law making.’<sup>41</sup> Google made a similar submission to the ALRC. Google described:

Innovation, culture and creativity are inherently dynamic – copyright must be future proofed with an open-ended flexible exception to keep pace with rapid developments in technology and the expectations of consumers and creators.<sup>42</sup>

Google maintains, in the United States, fair use has provided ‘room within the framework of copyright law for many of the Internet technologies that have been so crucial to stimulating creativity, free expression, and economic growth in recent years.’<sup>43</sup> Indeed, according to Google, one had only to look at the thriving technology innovation sector in the United States for evidence of the positive effect of a flexible fair use doctrine:

...no country in the world can compete with the U.S. for the most innovative search technologies, social networks, video and music hosting platforms, and for the sheer generation of the most jobs and wealth in the Internet domain...<sup>44</sup>

A flexible fair use exception provides a framework through which lawmakers can decide how copyright applies in a rapidly evolving digital environment.

Google frames fair use as critical to technological innovation. Google argues copyright ‘oversteps its purpose, and harms innovation, when it enforces rigid constraints to stifle productive and reasonable new uses of copyrighted works.’<sup>45</sup> Google claims a ‘permission first, innovate later’<sup>46</sup> culture has a chilling effect on innovation. According to Google, conventional permission and remuneration arrangements, such as licensing individual works for individual uses, are not appropriate for many internet-based businesses because ‘digital and internet technology requires constant, continuous copying of material often on vast scales and globally’.<sup>47</sup> In this environment, seeking permission and remuneration through analogue-era arrangements imposes prohibitively high legal and administrative burdens on innovators.

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<sup>40</sup> Ibid 4.2.2.

<sup>41</sup> Ibid.

<sup>42</sup> Letter from Matt Dawes Public Policy and Government Affairs Google Australia to Professor Jill McKeough ALRC, ‘Review - Copyright and the Digital Economy’ (30 November 2012), 1 [http://www.alrc.gov.au/sites/default/files/subs/217.\\_org\\_google.pdf](http://www.alrc.gov.au/sites/default/files/subs/217._org_google.pdf).

<sup>43</sup> Google, ‘Submission to the Independent Review of Intellectual Property and Growth (UK)’ (2011), 4.2.6.

<sup>44</sup> Ibid 4.2.3.

<sup>45</sup> Ibid 7.8.

<sup>46</sup> Ibid 5.4.

<sup>47</sup> Ibid 8.1.

Fair use serves as an important counterbalance in a copyright regime, providing legal room for accessing and using works, allowing entrepreneurs to ‘take an informed risk, knowing that if your innovative product serves a genuinely new need and doesn’t unfairly harm the people whose work you copied, then it will be on the right side of the law.’<sup>48</sup>

In a 2012 submission to Ireland’s Copyright Review Committee, Google warned against a misunderstanding of the nature and effect of the fair use doctrine. Google cautioned fair use was sometimes incorrectly ‘dismissed as a derogation of authors’ rights’<sup>49</sup> when in fact it is a provision for permitting ‘legitimate re-use’.<sup>50</sup> Google argued,

[i]t is not true that fair use pits one set of interests against another, namely authors against users. In the U.S., the most frequent beneficiaries of fair use are large media companies who rely on it daily for their own creative works. Fair use should be regarded as an essential tool for all authors to create and innovate.<sup>51</sup>

For Google, an important advantage of a flexible fair use provision is that it allows courts to assess ‘both the social value of new innovations and the market fairness to earlier creators’.<sup>52</sup> As Google explains, a flexible fair use doctrine allows lawmakers to seek ‘a balance between the monopoly rights of the original creator, and the socially and economically beneficial output of subsequent creators or innovators.’<sup>53</sup>

Google has acknowledged its own operations are supported by fair use.<sup>54</sup> In the US, Google has been challenged for copying content for its search services—without prior permission from or remuneration to the copyright owners—and has successfully relied on fair use. In 2004, Blake Field challenged Google for its automated copying of his website for Google’s search index.<sup>55</sup> Field published a collection of his own poetry on a personal website and when Google copied the website and included it in Google Search, Field sued Google claiming copyright infringement.<sup>56</sup>

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<sup>48</sup> Ibid 7.7.

<sup>49</sup> Google, ‘Submission to the Copyright Review Committee Ireland’ (June 2012), 42 <https://www.djei.ie/en/Consultations/Consultations-files/Google1.pdf>.

<sup>50</sup> Ibid.

<sup>51</sup> Ibid 45.

<sup>52</sup> Google, ‘Submission to the Independent Review of Intellectual Property and Growth (UK)’, Google, ‘Submission to the Independent Review of Intellectual Property and Growth (UK)’ (2011), 4.2.2.

<sup>53</sup> Ibid 4.2.3.

<sup>54</sup> Ibid 4.2.7.

<sup>55</sup> *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006).

<sup>56</sup> Ibid 1109. Google’s search engine uses an automated software program, the Googlebot, to crawl the internet and gather information about websites for its search index. The Googlebot scans websites; copying, analysing and storing website information on Google servers. The Googlebot stores textual information in the Google index and full copies of website’s HTML code in the Google cache. When a user conducts a Google search, Google’s technology searches the information stored on its servers and then directs users to relevant websites using hyperlinks. Cached copies of websites are also available for viewing. If a website owner does not wish to have their website

In its fair use analysis, the court held ‘[b]ecause Google serves different and socially important purposes in offering access to copyrighted works ... Google’s alleged copying and distribution of Field’s Web pages containing copyrighted works was transformative.’<sup>57</sup> The same year, Google was challenged by adult website Perfect 10 for Google’s copying and creation of thumbnail versions of Perfect 10’s photos for inclusion in Google’s image search service.<sup>58</sup> In *Perfect 10*, the court concluded Google’s copying was for a highly transformative purpose and a fair use:

Indeed, a search engine may be more transformative than a parody because a search engine provides an entirely new use for the original work, while a parody typically has the same entertainment purpose as the original work.<sup>59</sup>

In perhaps its most high profile dispute, Google was sued by the Authors Guild for copyright infringement for activities relating to its book search service. In 2015, the US Court of Appeals for the Second Circuit confirmed Google’s copying for its book search and snippet view function was a fair use.<sup>60</sup> The court reasoned, ‘while authors are undoubtedly important intended beneficiaries of copyright, the ultimate, primary intended beneficiary is the public, whose access to knowledge copyright seeks to advance by providing rewards for authorship.’<sup>61</sup>

## 2.2 *Intermediary Safe Harbour According to Google*

Intermediary safe harbours limit the liability of online intermediaries for acts of copyright infringement occurring on their platforms. To qualify for safe harbour an online intermediary must satisfy various statutory requirements—for example, maintaining a termination policy for repeat infringers,<sup>62</sup> accommodating technical protection measures,<sup>63</sup> lacking ‘actual knowledge’<sup>64</sup> of the infringing activity and expeditiously removing infringing content upon receiving notification from a rights holder.<sup>65</sup> Safe harbours are justified as necessary because of the critical role of

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included in Google’s index or cache, they can communicate this to the Googlebot by including HTML instructions in their website’s HTML code. The robots.txt code, as it is known, together with other meta-tags, can direct the Googlebot to exclude specific pages or the full site. Google, *Googlebot Search Console Help* <https://support.google.com/webmasters/answer/182072?hl=en>.

<sup>57</sup> *Field v. Google Inc.*, 412 F. Supp. 2d 1106, 1119 (D. Nev. 2006).

<sup>58</sup> *Perfect 10, Inc. v. Amazon. com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

<sup>59</sup> *Ibid* 1165.

<sup>60</sup> *Authors Guild v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015).

<sup>61</sup> *Ibid* 212. On 18 April, 2016, the U.S. Supreme Court denied the Authors Guild’s request for an appeal.

<sup>62</sup> 17 U.S.C. § 512(i)(1)(A).

<sup>63</sup> 17 U.S.C. § 512(i)(1)(B), (i)(2).

<sup>64</sup> 17 U.S.C. § 512 (c)(1)(A)(i) and 512 (d)(1)(A).

<sup>65</sup> 17 U.S.C. § 512 (c)(1)(A)(iii) and 512 (d)(1)(C) Similar provisions have been adopted in jurisdictions throughout the world, for example, in the European Union via Directive 2000/31/EC on

intermediaries to the functioning of the internet. Most online activities involve an intermediary of some kind. Most intermediaries are open to unlawful uses by users. Given the scale of intermediary operations, without safe harbours, individual assessment of every individual use and automatic liability for every act of infringement by a user would render many intermediaries operationally and financially unviable.

For Google, safe harbour provisions correctly stipulate ‘stringent guidelines for providing and responding to notices of infringement’ while creating ‘business certainty for internet companies, and a clear and swift process for content owners’.<sup>66</sup> According to Google, ‘robust and well defined’<sup>67</sup> safe harbours for online intermediaries are a critical component of a copyright regime that ‘supports technological innovation and free expression’.<sup>68</sup> Like fair use, Google views intermediary safe harbour as a limitation on copyright that provides legal room necessary for innovation and investment in new digital technologies.

Google has been highly critical of Australia’s safe harbour regime for rendering legally uncertain important activities such as ‘transmitting data, caching, hosting and referring users to an online location’.<sup>69</sup> Google argues that by failing to cover the ‘full range of service providers operating in the digital environment’ Australia’s safe harbour regime poses a ‘serious impediment to the growth of Australia’s digital economy’.<sup>70</sup> Google submitted Australia was at an international disadvantage as other jurisdictions with robust safe harbour provisions were more attractive locations for digital economy investments.<sup>71</sup>

### 3 Copyright Policy-Making in the Google Era

In 2003, Yochai Benkler wrote, ‘[w]e are in the midst of a pitched political battle over the spoils of the transformation to a digitally networked environment and an economy increasingly centered on the production and exchange of information, knowledge, and culture.’<sup>72</sup> Nearing 15 years later, the battle rages on. Media and entertainment industries pursue a private property-based model of copyright,

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*Certain Legal Aspects of Information Society Services, in particular Electronic Commerce, in the Internal Market* art 12–15.

<sup>66</sup> Google, ‘Submission to the Independent Review of Intellectual Property and Growth (UK)’, Google, ‘Submission to the Independent Review of Intellectual Property and Growth (UK)’ (2011), 4.3.1–2.

<sup>67</sup> *Ibid.*

<sup>68</sup> *Ibid.*

<sup>69</sup> Letter from Ishtar Vij Public Policy and Government Affairs Google Australia and New Zealand to Attorney-General’s Department, ‘Revising the Scope of the Copyright Safe Harbour Scheme’ (17 November 2011), 2 <http://www.ag.gov.au/Consultations/Documents/Google.pdf>.

<sup>70</sup> *Ibid.*

<sup>71</sup> *Ibid.* 4.

<sup>72</sup> Benkler (2003), pp. 1245–1276, 1272.

seeking more rights and stronger enforcement measures, to control and monetise the digital environment. Another powerful participant in the battle, Google, has provided a countervailing voice, widening the terms of the debate and promoting the importance of limitations and exceptions to balanced copyright.

According to Google, copyright in the digital age should permit some access and use of information without requiring permission from and remuneration to copyright owners. It should do this because such freedom of access and use is necessary for innovation. Exceptions and limitations to copyright provide the legal room for using digital information to create, innovate and develop new technologies, yielding social and economic benefits. Significantly, this claim is not merely rhetoric. Over the past decade or more, through litigation and through its business practices, Google has been cultivating this version of copyright. It has done so by employing and advancing the doctrines of fair use and safe harbours for online intermediaries—utilising the law, norms, technology and its market dominance to dilute the potency of copyright's permission and remuneration orthodoxy.

It is easy to identify the differences between Google's approach to copyright and that of the content industries. Yet, what unites them is also significant. Both agendas present what Cohen describes as ideals of 'private economic liberty,'<sup>73</sup> which have encouraged the 'doctrinal and theoretical neoliberalization'<sup>74</sup> of copyright. The content industries present copyright in terms of their private property interests, justified with rational economic incentive claims. Google's innovation reasoning also has neoliberal underpinnings. As Cohen identifies, innovation rhetoric 'foster[s] a regulatory philosophy that shields the U.S. information industries from legal interference.'<sup>75</sup> In copyright politics, the call for legal room for innovation is a call for 'freer' markets or less government intervention—specifically a reduction in the size of the monopoly granted to copyright owners.

Like other socially valuable features of contemporary society—such as the natural environment, health care and education—cultural and creative sectors are particularly ill suited to free markets. This has long been recognised. Government's act to support domestic cultural and artistic activities in various ways: grants, awards, subsidies, taxation and, of course, copyright. Copyright is a government granted monopoly deemed necessary to secure some economic viability for authors of creative works. Creative economies are rarely free from government involvement.

Policy-makers should be mindful of the inherent limitations of neoliberal policy proposals that call for a reduced role for governments in favour of 'free markets'. Such proposals conceive of issues in narrow, economic terms and limit possible policy responses. If exceptions and limitations to copyright are defined primarily as free-market policies their utility is limited. Consider, for example, Google's argument that the best policy for curbing online copyright infringement is the ensuring of strong exceptions and limitations to copyright. This is said to constitute a free market, rational economic policy. It is an argument that with less regulation, the

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<sup>73</sup> Cohen (2014), p. 9.

<sup>74</sup> Ibid.

<sup>75</sup> Ibid 14.



market will properly respond to consumer demand, to the aggregate benefit of consumers and producers. Although supply and price conditions may indeed trigger online copyright infringement, framing the issue in this way obscures the underlying and, arguably, more important problem of the vitality and quality of the global creativity economy. Free market solutions lack the means for addressing qualitative issues such as the nature of the works being produced, who is producing them and how equitably they are being accessed and engaged.<sup>76</sup> Free markets alone will not ensure a prosperous, diverse and decentralised global creative economy.

Digital copyright issues extend well beyond the economic interests of any one firm or industry. As Cory Doctorow expressed, '[t]he future of the Internet should not be a fight over whether Google (or Apple or Microsoft) gets to be in charge or whether Hollywood gets to be in charge... Big Tech and Big Content are perfectly capable of coming up with a position that keeps both "sides" happy at the expense of everyone else.'<sup>77</sup> There is a strong public interest in copyright policy: copyright regulates markets for creative works, technological innovation, access to and use of knowledge and social experiences. Powerful economic actors should not be permitted set the terms of the debate narrowly. Assuring the possibility of economic viability for creators and providing legal room for technological innovation should be just two segments of a broad copyright policy framework.

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<sup>76</sup>As Sunder observes, '[i]ntellectual property utilitarianism does not ask who makes the goods or whether the goods are fairly distributed to all who need them.' Sunder (2006), pp. 257–1791, 259.

<sup>77</sup>Doctorow (2014), p. 134.

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# Dead Cats in the Mail: *Dallas Buyers Club* and the Emergence of the User in Australian Intermediary Copyright Law



Kylie Pappalardo and Carrick Brough

## 1 Introduction

Australians are frequently accused of being amongst the highest infringing downloaders in the world.<sup>1</sup> In Australia, there are ongoing debates about the relatively high prices and low levels of service faced by Australian consumers in accessing lawful copyright content as compared to consumers in other western countries.<sup>2</sup> Australia has been an important target of copyright enforcement measures during the last decade, including through high profile lawsuits largely financed by the US copyright industries.<sup>3</sup> The broad scope of Australia's intermediary copyright liability doctrine has served as an enabling force for copyright owners to seek remedies and pursue scaled-up regulation in this jurisdiction. Because of these factors, Australia is used as one jurisdiction in which policy is 'laundered' in a global effort to ratchet up enforcement provisions.

Ten years ago, there was little in Australia's copyright case law that suggested any complexity in the interests at stake in online copyright enforcement. Defendants, who generally operated online filesharing platforms, were clearly bad actors; users were pirates, interested only in getting something for nothing; and the primary

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<sup>1</sup> Australian Government, Online Copyright Infringement Discussion Paper, July 2014, 1.

<sup>2</sup> House Standing Committee on Infrastructure and Communications, 'At what cost? IT Pricing and the Australia Tax' (Parliament of Australia, 29 July 2013).

<sup>3</sup> *Universal Music Australia Pty Ltd v Sharman License Holdings Ltd* (2005) 222 FCR 465; *Roadshow Films Pty Ltd v iiNet Limited* [2012] HCA 16 (20 April 2012); *Dallas Buyers Club LLC v iiNet Ltd* [2015] FCA 317. See further, Robert D McCallum, 'Diplomatic Cable 08CANBERRA1197, FILM/TV INDUSTRY FILES COPYRIGHT CASE AGAINST AUSSIE ISP', *Wikileaks*, 30 November 2008, <https://wikileaks.org/cable/2008/11/08CANBERRA1197.html>.

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concern of the courts was to protect copyright interests. Today, not much has changed in the view of the Australian Government. It remains committed to tackling online copyright infringement and continues to use the rhetoric of piracy and ‘stealing’.<sup>4</sup> However, recent case law indicates the beginnings of a shift in the way that Australian courts consider the interests of copyright users.<sup>5</sup> Hints of dissatisfaction with the copyright status quo appeared in *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd*,<sup>6</sup> particularly in the judgment of Justice Emmett, and in Justice Rare’s decision in *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2)*.<sup>7</sup> In the Federal Court’s latest judgment concerning copyright owners, Internet Service Providers (ISPs) and users, *Dallas Buyers Club LLC v iiNet Limited (No 4)*,<sup>8</sup> the presiding judge, Justice Perram, displayed open frustration with and criticism of copyright owners’ single-minded focus on punitive enforcement measures for dealing with copyright users.

The series of *Dallas Buyers Club* decisions of 2015 provide an interesting case study in this nascent shift amongst members of the Australian judiciary towards recognising and protecting the interests of users in being treated fairly in copyright cases. In *Dallas Buyers Club*, Voltage Pictures, which owned copyright in the film, *Dallas Buyers Club*, brought an application for preliminary discovery against Australian ISPs, seeking the names and contact details of internet account holders associated with several thousand IP addresses. Voltage claimed that users at these IP addresses has shared infringing copies of the *Dallas Buyers Club* film over BitTorrent, and was seeking contact details in order to send letters of demand to the alleged infringers. Justice Perram of the Federal Court granted the preliminary discovery order, and his initial decision in *Dallas Buyers Club LLC v iiNet Limited* [2015] FCA 317 was reported by the popular media and in some professional circles as a significant victory for rights holders.<sup>9</sup> However as it transpired, the devil was

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<sup>4</sup>Attorney General, Senator the Hon. George Brandis QC and Minister for Communications, the Hon. Malcolm Turnbull MP, Online Copyright Infringement, Joint Media Release, 30 July 2014, <http://www.attorneygeneral.gov.au/Mediareleases/Pages/2014/ThirdQuarter/30July2014-OnlineCopyrightInfringement.aspx>.

<sup>5</sup>In this chapter, we use the term ‘copyright user’ to indicate a person who accesses and uses a copyright object, in the ordinary sense of the word ‘use’. We deliberately take a broad view of what constitutes copyright use, from activities generally considered ‘passive’, such as viewing, to more active and transformative activities, such as remixing. We avoid the term ‘consumer’, because this implies a certain passivity to the way that humans interact with cultural products. Similarly, we do not expect that all use should reach heights of creation, so that the user becomes an author in their own right. Rather, we consider that people do not necessarily ‘consume’ or ‘use’ copyright objects in predictable ways. Some people will use copyright works passively, some will do so actively, and some will do so passively and then actively—or vice versa—at different points of time. See further, Liu (2003), p. 397; Cohen (2005), p. 347; Fisher (2010), p. 1417; Benkler (2000), p. 561. We acknowledge that ‘user’ is itself not an ideal term—as Julie Cohen has observed, it carries “a residual aura of addiction” (Cohen, 347)—but it is the best that we have.

<sup>6</sup>[2011] FCAFC 47.

<sup>7</sup>[2012] FCA 34.

<sup>8</sup>[2015] FCA 838.

<sup>9</sup>For example, Hansen (2015), pp. 126, 129.

very much in the detail, because Justice Perram made the order subject to an important condition—Voltage was required to obtain court approval of any letter that it planned to send to account holders. Justice Perram was concerned about the need to protect users from a practice known as speculative invoicing, where copyright owners extract payments of several thousand dollars from users in exchange for the promise that the users will not be sued in court. In imposing this condition, Justice Perram displayed sensitivity to the interests of users, who are usually silent, external third parties in the two-party proceedings between rights holders and ISPs.

In this chapter, we argue that the *Dallas Buyers Club* decisions are a significant development in the concept of user rights under Australian copyright law, and that the discretionary way in which the court drafted its order is an important foil against dubious practices like speculative invoicing. In Sect. 2, we demonstrate how Australian copyright cases involving internet intermediaries have traditionally disregarded the interests of copyright users. In Sect. 3, we discuss the subtle shifts in the Federal Court's approach to copyright users as people rather than pirates, beginning around the turn of this last decade in *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd* [2011] FCAFC 47 and *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2)* [2012] FCA 34. We then consider, in Sect. 4, the international legal context which set the scene for the pragmatic way in which Justice Perram dealt with the threat of speculative invoicing which lay behind Voltage Picture's application. While Justice Perram's approach to granting the preliminary discovery order seems novel in the context of Australian copyright cases, the conditions imposed by the court on the use of account holder's personal information represents the evolution of an international jurisprudence that seeks to protect the privacy and due process interests of users. The decisions in *Dallas Buyers Club* follow closely a number of strikingly similar UK and Canadian cases that Justice Perram found highly persuasive. In Sect. 5, we provide a detailed account of the *Dallas Buyers Club* litigation. We conclude, in Sect. 6, by arguing that the *Dallas Buyers Club* cases provide an important preview of how Australian courts may manage any orders for the delivery up of account holder details under a copyright notice scheme entered into by Australian rights holders and ISPs as an industry code of practice.

## 2 Online Copyright Enforcement and Politics of the User

After more than a decade of chasing the Napsters and The Pirate Bays of the world, copyright owners have achieved only limited success in regulating copyright infringement online. Increasing frustration has led copyright lobbyists to exert political pressure to change the rhetoric of enforcement. In particular, the agenda of copyright owners for the greater part of the last decade has been to seek mechanisms to co-opt ISPs into enforcing copyright against their subscribers.

Rightsholders argue that ISPs are in a position of power in the online environment—they provide the access points by which people are able to connect to each

other and share copyrighted content.<sup>10</sup> ISPs know, in general terms, that infringement occurs over their networks and they have the ability to do something about it, whether by sending warning notices or disconnecting internet accounts. The massive scale of copyright infringement, rightsholders argue, converts this ability to do something into a moral imperative.<sup>11</sup> In this situation, to know that infringement is happening and to do nothing is to be culpable.

The Australian Government, by and large, has bought into this narrative. In 2014, the Government released a discussion paper in which it emphasised: “Everyone has a role to play in reducing online copyright infringement.”<sup>12</sup> At that time, in fact, the Government considered radically restructuring Australian intermediary copyright liability law to reflect this proposition. The law governing intermediary liability in Australia focuses on whether or not the defendant ‘authorised’ the acts of primary infringement.<sup>13</sup> ‘Authorise’ has been defined to mean “sanction, approve, countenance”,<sup>14</sup> and courts must generally consider several factors in determining liability, including the defendant’s relationship with the primary infringer, whether the defendant had the power to prevent the primary infringement, and what reasonable steps the defendant might have taken to exercise this power.<sup>15</sup> In the 2014 discussion paper, the Australian Government proposed weakening the feature of control inherent in the authorisation doctrine, to make ISPs potentially liable for authorising copyright infringement even where they had no real power to prevent infringement.<sup>16</sup> While this proposal was abandoned following public consultation, it is an important example of the use of liability as a core motivator to compel intermediaries to act in particular ways, often against the interests of their user base.

When intermediary liability laws, including the authorisation doctrine in Australia, are applied in the online environment, they are directed towards regulating the ways in which users are able to interact online with copyrighted content and with each other. Exerting legal and regulatory pressure on intermediaries forces them to take more responsibility for the actions of users who are on their networks

<sup>10</sup> Lichtman and Landes (2003), p. 395.

<sup>11</sup> See further, Mann and Belzley (2005), p. 239.

<sup>12</sup> Attorney General, Senator the Hon. George Brandis QC and Minister for Communications, the Hon. Malcolm Turnbull MP, Online Copyright Infringement, Joint Media Release, 30 July 2014, <http://www.attorneygeneral.gov.au/Mediareleases/Pages/2014/ThirdQuarter/30July2014-OnlineCopyrightInfringement.aspx>.

<sup>13</sup> Sections 36(1) and 101(1) of the *Copyright Act 1968* (Cth) provide that copyright is infringed by a person who, not being the owner of the copyright and without the licence of the owner of the copyright, does *or authorizes the doing of*, in Australia, an act comprised in the copyright. Acts comprised in the copyright include the rights of reproduction, communication, adaptation, public performance and publication: see sections 31, 85–88. Section 36 applies to literary, dramatic, musical and artistic works; section 101 applies to sound recordings, cinematograph films, broadcasts and published editions.

<sup>14</sup> *University of New South Wales v Moorhouse and Angus & Robertson (Publishers) Pty Ltd* (1975) 6 ALR 193, 200 (Gibbs J), 207 (Jacobs J) (with McTiernan ACJ concurring).

<sup>15</sup> *Copyright Act 1968* (Cth), ss. 36(1A) and 101(1A).

<sup>16</sup> Australian Government, Online Copyright Infringement Discussion Paper, July 2014.

or using their services by adopting measures targeted towards impeding users' abilities to infringe copyright. Such measures may include disabling an infringing user's access to the network or service, blocking or filtering copyrighted content retrieved via the network or service, or redesigning the network or service to prevent particular uses. Thus, the underlying object of imposing copyright liability on internet intermediaries is usually to regulate user behaviour online.

Intermediary liability laws, however, are seldom made with any careful analysis of whether it is socially desirable to restrain what users can do online, including whether those restraints affect uses that are otherwise lawful or which the law has traditionally left unregulated, such as certain forms of personal use.<sup>17</sup> Scant attention is given to the impact of technological restrictions on individual autonomy (to choose when and how to view or listen to copyrighted works), personal growth (from exposure to cultural products) and new forms of creativity (from active engagement and reactive creation).<sup>18</sup> Intermediary liability case law tends to obscure the interests of copyright users in online engagement and creation, by making the issue about achieving balance between the interests of rightsholders and technology developers instead. The problem partly stems from the structure of the two-party adversarial system—users are not parties to authorisation cases and so are not given an opportunity to advance their interests in court or to explain their reasons for accessing and using copyrighted material.<sup>19</sup> This is especially so in the Australian system, which traditionally disfavors *amicus curiae* briefs.

The general trend in Australian authorisation cases has been to either ignore users completely or to cast them as a generalised group of 'pirates', thus making their interests easy to dismiss. In this part, we consider the three major authorisation cases in Australia that have involved internet systems. We demonstrate how users were discussed and treated in these cases. In Sect. 3 of this chapter, we chart the gradual shift in judicial sentiment that seems to have arisen firstly in *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd* [2011] FCAFC 47 ('the *Kookaburra case*'), a standard music infringement case, and then in cases involving copyright intermediaries, where members of the judiciary expressed sympathy for copyright users attempting (or forced) to deal with established copyright interests.

## 2.1 Universal Music v Sharman: A Disregard for Users' Interests

*Universal Music Australia Pty Ltd v Sharman License Holdings Ltd* (2005) FCA 1242 ('*Sharman*') involved the peer-to-peer filesharing software, Kazaa, owned and distributed by the Sharman companies. The applicants, who owned copyright in

<sup>17</sup> See, Wu (2007–2008), p. 617; Litman (2010), pp. 1, 16; Litman (2007), p. 1871.

<sup>18</sup> Suzor (2013), p. 297.

<sup>19</sup> See further, Lemley and Reese (2004), pp. 1345, 1379–1380.



certain sound recordings, alleged that users had downloaded and shared, without licence, copies of these recordings via the Kazaa network. The applicants claimed that Sharman had authorised this infringement by operating and maintaining the Kazaa software and by failing to implement mechanisms to prevent or avoid the infringing activities. The court found for the applicants, holding that at all material times the respondents were aware that a major use of the Kazaa system was the transmission of copyright material.<sup>20</sup> Justice Wilcox summarily dismissed claims that the Kazaa network could be used for non-infringing purposes such as sharing licensed or original material, concentrating only on the unauthorised sharing of copyright works.<sup>21</sup>

An important aspect of the *Sharman* case was the respondent's apparent ability to control what users did on the Kazaa network. Expert evidence was presented on both sides as to whether Sharman could effectively implement a filter to prevent users from accessing copyrighted files.<sup>22</sup> Justice Wilcox accepted that it was feasible to implement a filter to prevent the display of files with metadata matching the sound recordings in the applicants' catalogues. He found Sharman liable for failing to filter, notwithstanding evidence presented on behalf of the respondents that a metadata filter would likely produce a significant number of 'false positives', such as public domain or licensed files being excluded from search results where they bore similarities to the metadata in the applicants' catalogues.<sup>23</sup> His Honour was primarily influenced by the need to "protect copyright owners" from the actions of users.<sup>24</sup>

The feature of this case that most strongly revealed the court's disregard for copyright users concerned how the filter could be implemented. Including a filter in the Kazaa software was not a straightforward task—it required a software upgrade, which users would need to consent to. The court reasoned that users were unlikely to upgrade to new software that would impose a keyword filter on their searching and sharing of files.<sup>25</sup> However, Justice Wilcox held that users could be "persuaded" to upgrade by "driving them mad" with pop-up notification boxes, essentially "rendering the existing version impracticable to use".<sup>26</sup> His Honour was unperturbed that this would force users into installing a version of the software that might prevent them from accessing content that was in the public domain or licensed by the copyright holder, or which might prevent them from sharing content that users themselves had created, such as parodies of existing songs. While it was uncontroversial that the Kazaa software was overwhelming used for copyright infringement,

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<sup>20</sup> [2005] FCA 1242 [181].

<sup>21</sup> *Ibid*, [184].

<sup>22</sup> [2005] FCA 1242 [233].

<sup>23</sup> *Ibid*, [262], [271], [275], [288], [294]. For example, expert witness for the respondents, Professor Tygar, asked the court to "imagine the difficulty in deciding which recordings of Beethoven's Fifth Symphony are authorized for distribution": at [271].

<sup>24</sup> *Ibid*, [294].

<sup>25</sup> *Ibid* [300].

<sup>26</sup> See [304]–[309].

it is the means of addressing this infringement that raises concerns. At no point were liberty concerns raised about forcing users to install software and agree to terms that they did not want, and there was very little critical discussion about the tradeoffs involved in sacrificing access to lawful content in order to stop the sharing of unlawful content.

## 2.2 Cooper v Universal Music; Roadshow Films v iiNet: *Users Not Present*

In 2006, the Full Federal Court heard the case of *Cooper v Universal Music Pty Ltd* ('*Cooper*').<sup>27</sup> There, the appellant Cooper ran a website, [MP3s4FREE.com](http://MP3s4FREE.com), where users could post hyperlinks to remote websites where infringing sound recordings could be downloaded. Cooper's website did not host any music files itself, but by clicking on the hyperlinks users could have the selected music file transmitted directly to their computer. Both Cooper and his ISP were found liable for authorising copyright infringement. The court was influenced by evidence that Cooper had deliberately designed his website to facilitate the infringing downloading of sound recordings.<sup>28</sup> Additionally, Cooper benefitted financially from the infringing conduct due to the presence of advertisements on his site. The court held that the promise of infringing downloads drew users to Cooper's site, and that Cooper's share of advertising revenue increased in proportion to the number of viewers his site attracted.<sup>29</sup> Lastly, Cooper took no steps to avoid the infringing conduct, such as by removing hyperlinks to third party sites that were clearly hosting infringing material.<sup>30</sup>

E-Talk Communications conducted an internet service provider, ComCen, which hosted Cooper's website. The Full Federal Court found E-Talk liable for copyright authorisation because it knew what Cooper's website was used for and at least implicitly supported that purpose by hosting Cooper's website for free in exchange for advertising space on the site.<sup>31</sup> For this reason, E-Talk was doing more than simply providing internet facilities to Cooper. It also failed to take any reasonable steps to prevent the infringing acts, such as by declining to host Cooper's website or by requiring Cooper to remove the hyperlinks to infringing content.<sup>32</sup>

The *Cooper* case is characterised by an almost complete absence of the user. Indeed, there was little reason for the court to consider users at all—their Honours simply focused on the structure of Cooper's website and the presence of hyperlinks that made available complete copies of sound recordings. Their Honours did not

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<sup>27</sup> (2006) 237 ALR 714.

<sup>28</sup> *Cooper v Universal Music Pty Ltd* (2006) 237 ALR 714, 720-1 (Branson J) (French J agreeing), 745 (Kenny J).

<sup>29</sup> *Ibid*, 720-723 (Branson J), 744-745 (Kenny J).

<sup>30</sup> *Ibid*, 724 (Branson J), 745-746 (Kenny J).

<sup>31</sup> *Ibid*, 725-726 (Branson J), 746-749 (Kenny J).

<sup>32</sup> *Ibid*.

turn their minds to whether songs shared via [MP3s4FREE.com](http://MP3s4FREE.com) might be licensed or in the public domain, or whether users might be accessing these songs to make a fair dealing or other protected use of the recording. It was sufficient that Cooper and E-Talk looked like ‘bad actors’ for the court to be satisfied that they had authorised infringement.

Users were likewise largely absent in Australia’s first intermediary copyright liability case to reach the High Court since the development of the internet, *Roadshow Films v iiNet Ltd* [2012] HCA 16 (‘*iiNet*’). In that case, Roadshow Films and other film studios sued iiNet, then Australia’s third largest ISP, alleging that iiNet had authorised the infringing acts of its subscribers (sharing films over BitTorrent) by failing to take any action against users in response to infringement notices received from rightsholders. Copyright owners argued that iiNet should have at least sent infringement warning notices to users and might have terminated user accounts in accordance with the iiNet subscriber contract, which gave iiNet the rights to terminate the contract if an account holder infringed third party rights.<sup>33</sup>

The High Court held unanimously for iiNet. Chief Justice French and Justices Crennan and Kiefel, who delivered a joint judgment, held that even if iiNet’s inactivity after receiving the rightsholders’ notices could be seen to “support” or “encourage” its users’ infringements, iiNet’s power to prevent infringement was limited. The only power it had was to attempt to prevent infringements indirectly by terminating its contractual relationships with customers, which their Honours found would not be a reasonable step, in part because it would be ineffective—a customer could easily engage another ISP for internet access.<sup>34</sup> The French judgment further found that the information contained in the rightsholders’ notices was incomplete and “did not provide iiNet with a reasonable basis for sending warning notices to individual customers containing threats to suspend or terminate those customers’ accounts”.<sup>35</sup> iiNet would need to update the information underlying the notices before taking further steps, or risk exposing itself to liability for wrongful termination of customers’ accounts.<sup>36</sup> This, again, was not reasonable to expect of iiNet. Chief Justice French and Justices Crennan and Kiefel held that iiNet’s inactivity after receiving the notices “was not the indifference of a company unconcerned with infringements of the appellant’s rights. Rather, the true inference to be drawn is that iiNet was unwilling to act because of its assessment of the risks of taking steps based only on the information in the [rightsholders’] notices.”<sup>37</sup>

Similarly, Justices Gummow and Hayne, who also delivered a joint judgment, found that iiNet had no power to prevent its customers from choosing to use BitTorrent software, nor could iiNet remove the appellants’ films which were made

<sup>33</sup> *Roadshow Films Pty Ltd v iiNet Ltd* [2012] HCA 16 (20 April 2012) [58] (French CJ, Crennan and Kiefel JJ).

<sup>34</sup> *Ibid* [69]–[70], [73] (French CJ, Crennan and Kiefel JJ).

<sup>35</sup> *Ibid* [78] (French CJ, Crennan and Kiefel JJ).

<sup>36</sup> *Ibid* [74]–[75] (French CJ, Crennan and Kiefel JJ).

<sup>37</sup> *Ibid* [75]–[76] (French CJ, Crennan and Kiefel JJ).

available online.<sup>38</sup> iiNet's only power was to terminate its contractual relationship with its customers. Their Honours found that it was unreasonable to expect iiNet to issue warnings or terminate accounts on the strength of the rightsholders' notices when those notices had not fully disclosed the methods used to obtain the information in them.<sup>39</sup> Further, it was not actually clear that issuing warning notices to customers would prevent further infringements. Their Honours observed that "in the absence of an effective protocol binding [all] ISPs (and there is no such protocol) the iiNet subscribers whose agreements were cancelled by iiNet would be free to take their business to another ISP."<sup>40</sup>

While *Roadshow Films v iiNet* was a resounding victory for ISPs, it did not greatly advance the position of user rights. Again, users were almost completely absent from the judicial discourse.<sup>41</sup> The case turned on the issue of whether iiNet had done enough to prevent infringing activity; the activity itself was largely assumed. Additionally, the reasons given by the High Court for why it would be unreasonable to expect iiNet to send warning notices or terminate accounts were entirely ISP-focused. Their Honours drew attention to the fact that the rightsholders' notices were incomplete and unreliable, which would place iiNet at risk of being sued by its customers. The court also noted that termination would be ineffective because users could simply transition to another ISP. None of these reasons account for the risks *to users* of having their internet accounts terminated, whether on the basis of reliable evidence of infringement or not. Instead, the judgment indicates that if the rightsholders' notices had been more complete or if ISPs were subject to an industry code requiring termination for repeat infringement, then iiNet may, in fact, have been expected to take punitive action against its subscribers.

In the entire High Court decision, there are only fleeting mentions of users and their interests. Early in their judgment, Chief Justice French and Justices Crennan and Kiefel make a "general observation" that "access to the internet can be used for diverse purposes, including viewing websites, downloading or streaming non-infringing content, sending and receiving emails, social networks, accessing online media and games, and making voice over IP telephone calls."<sup>42</sup> In a similar vein, Justices Gummow and Hayne mention, in passing, the impact that account termination might have on users. Their Honours said:

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<sup>38</sup> *Roadshow Films Pty Ltd v iiNet Ltd* [2012] HCA 16 (20 April 2012) [112], [137] (Gummow and Hayne JJ).

<sup>39</sup> *Ibid* [138], [146] (Gummow and Hayne JJ).

<sup>40</sup> *Ibid* [139] (Gummow and Hayne JJ).

<sup>41</sup> Users were slightly more present in the first instance decision in the Federal Court. For example, Justice Cowdroy emphasised that users' increased internet bandwidth or quota usage could not be equated (as the applicants argued) with infringing activity. His Honour criticised "the applicants' attempt to cast a pall over internet usage": *Roadshow Films Pty Ltd v iiNet Ltd (No 3)* [2010] FCA 24 [190], [245], [250]; (2010) 263 ALR 215, 256–257, 267–268.

<sup>42</sup> *Roadshow Films Pty Ltd v iiNet Ltd* [2012] HCA 16 (20 April 2012) *Ibid* [64] (French CJ, Crennan and Kiefel JJ).

In truth, the only indisputably practical course of action would be an exercise of contractual power to switch off and terminate further activity on suspect accounts. But this would not merely avoid further infringement; it would deny to the iiNet customers non-infringing uses of the iiNet facilities.<sup>43</sup>

These statements hint at an awareness of the importance of internet access in the modern world, and the serious impact that being cut off from this access can have on the lives of users.<sup>44</sup> But their Honours did not explore this notion further, and certainly did not refer to users' interests in supporting their reasons for denying relief to copyright owners in this case.

### 3 Subtle Shifts: Towards Recognition of the User

The tiny traces of user rights glimpsed in *Roadshow Films v iiNet* emerged at the same time that the Australian Federal Court was grappling, in other cases, with the difficult task of reconciling aging copyright principles with the evolution of popular culture and new technologies. In 2011, the Full Federal Court heard the appeal in the *Kookaburra case*,<sup>45</sup> and in 2012 it heard the appeal in *National Rugby League Investments Pty Limited v Singtel Optus Pty Ltd* [2012] FCAFC 59 ('the *Optus TV Now case*'). Both cases were firm victories for rightsholders. What is evident in these cases, however, is the beginning of a shift in approach in how the court considered and discussed the copyright users involved. Judges, in *dicta*, expressed frustration with existing interpretations of Copyright Act provisions, which they seemed to consider constrained them to hold for the copyright owners even where they were sympathetic to the users' interests and actions.

In *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd*,<sup>46</sup> the Australian band, Men at Work, had reproduced two bars of music from the children's folk song, *Kookaburra Sits in the Old Gum Tree*, as a flute riff in their own song, *Down Under*. The Full Federal Court, consisting of Justices Emmett, Jagot and Nicholas, found that *Down Under* had reproduced a substantial part of the Kookaburra song and had therefore infringed copyright. In finding substantial similarity between the two works, their Honours noted that Men at Work had used two bars from Kookaburra, a four bar musical work, which was quantitatively

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<sup>43</sup> Ibid [139] (Gummow and Hayne JJ).

<sup>44</sup> Justice Cowdroy in the Federal Court, in the first instance decision in this case, made similar observations. His Honour highlighted the central role of the internet in almost all aspects of modern life, including email, VOIP, banking, retail and news. He further noted that account termination would prevent a person using the internet for "all non-infringing users to which the internet may be put." *Roadshow Films Pty Ltd v iiNet Ltd (No 3)* [2010] FCA 24 [410]-[411], [438]; (2010) 263 ALR 215, 302, 310.

<sup>45</sup> *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd* [2011] FCAFC 47.

<sup>46</sup> [2011] FCAFC 47.

significant,<sup>47</sup> and that the qualitative similarity between Kookaburra and the flute riff in *Down Under* was “clearly perceptible”.<sup>48</sup>

Despite this strict application of the law, Justice Emmett expressed “disquiet” about the outcome of the case.<sup>49</sup> He observed that Men at Work’s reproduction of Kookaburra was “one of a number of references made in *Down Under* to Australian icons”<sup>50</sup> and that the similarities between the two works had gone unnoticed for over 20 years.<sup>51</sup> His Honour resurrected, in *obiter*, the old principle of *animus furandi*,<sup>52</sup> noting that the two songs fell into different musical genres and that there was no evidence that Men at Work had any intention of “taking advantage of the skill and labour of Ms. Sinclair in composing Kookaburra, in order to save effort on their part.”<sup>53</sup> The use here was clearly transformative.<sup>54</sup> Justice Emmett stated:

[O]ne may wonder whether the framers of the *Statute of Anne* and its descendants would have regarded the taking of the melody of Kookaburra in [*Down Under*] as infringement, rather than as a fair use that did not in any way detract from the benefit given to Ms. Sinclair for her intellectual effort in producing Kookaburra.<sup>55</sup>

In his judgment, Justice Emmett indicated that some of the underlying concepts of copyright law may require rethinking to better allow for the reproduction of a work for the purposes of quotation, homage or tribute where that use does not cause harm to the creator of the original work.<sup>56</sup>

In 2012, Justice Rares of the Federal Court heard the case of *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2)*.<sup>57</sup> Optus had brought the case, arguing that the Australian Football League (AFL) and the National Rugby League (NRL) had made unjustified threats against it under the *Copyright Act 1968*. The AFL and NRL owned copyright in the television broadcasts of their respective

<sup>47</sup> *EMI Songs Australia Pty Limited v Larrikin Music Publishing Pty Limited* [2011] FCAFC 41 (31 March 2011) [84]–[85] (Emmett J); [226] (Jagot J); [267] (Nicholas J).

<sup>48</sup> *Ibid* [86] (Emmett J).

<sup>49</sup> *EMI Songs Australia Pty Limited v Larrikin Music Publishing Pty Limited* [2011] FCAFC 41 (31 March 2011) [98] (Emmett J).

<sup>50</sup> *Ibid* [198] (Emmett J).

<sup>51</sup> It was not detected until the resemblance was pointed out in the course of a popular television program, *Spicks and Specks*, in 2007: see *EMI Songs Australia Pty Limited v Larrikin Music Publishing Pty Limited* [2011] FCAFC 41 (31 March 2011) [26] (Emmett J); see also [153]–[154] (Jagot J).

<sup>52</sup> *Animus furandi*, in law, generally means “the intention to steal”: see Black’s Law Dictionary, <http://blackslawdictionary.org/animus-furandi/> (accessed 27 August 2016), citing to *Gardner v. State*, 55 N.J. Law, 17, 20 Atl. 30; *State v. Slingerland*, 19 News 135, 7 Pac. 280.

<sup>53</sup> *EMI Songs Australia Pty Limited v Larrikin Music Publishing Pty Limited* [2011] FCAFC 41 (31 March 2011) [95] (Emmett J).

<sup>54</sup> In contrast to the more ‘consumptive’ use in *Singtel Optus Pty Ltd v National Rugby League Investments*, discussed below.

<sup>55</sup> *EMI Songs Australia Pty Ltd v Larrikin Music Publishing Pty Ltd* [2011] FCAFC 47 [101] (Emmett J).

<sup>56</sup> See further, Rimmer (2012), pp. 385, 394.

<sup>57</sup> [2012] FCA 34.

football games. They had granted an exclusive licence to Telstra to show the broadcasts (both live and prerecorded) on internet and mobile telephony devices. Optus began offering a new service, 'TV Now' in July 2011 to its private and small business customers. This service allowed users to record free-to-air TV broadcasts for playback on compatible devices, including computers, tablets and mobile phones. Recordings were available for a period of 30 days from the original broadcast. The AFL and NRL asserted that these recordings constituted copyright infringement of their football broadcasts. Optus claimed that it was the users—not Optus—that made the recordings and that these copies were within the scope of the time-shifting exception in s. 111 *Copyright Act 1968*.

At first instance, Justice Rares found that the recordings were made by users and that these copies were, indeed, within the scope of the time-shifting exception.<sup>58</sup> His Honour noted that this was no different from individuals using VCRs or DVRs to record free-to-air television in their homes for later viewing, and that Optus merely provided the technology to enable individuals to make these recordings.<sup>59</sup> Justice Rares highlighted that the time-shifting exception created by Parliament was designed to give greater flexibility to individuals to take advantage of technological advances.<sup>60</sup> He provided several examples of where recording technologies might afford conveniences to users that are worth protecting, including being able to pause a recorded broadcast in order to "make a cup of tea or coffee, or do something else in the house" and being able to finish a task at work without needing to rush home to catch the beginning of a live broadcast.<sup>61</sup> His Honour emphasised copyright users' interests in autonomy and choice, finding that the time-shifting exception could apply to excuse a recording made and watched only minutes after a live broadcast went to air. He stated, "The section must be concerned with what the viewer subjectively thinks is a more convenient time for him or her".<sup>62</sup> Justice Rares concluded that courts should take care to avoid eroding the value of this exception in the *Copyright Act*.<sup>63</sup>

The NRL successfully appealed the case to the Full Federal Court.<sup>64</sup> The Full Federal Court held that it was Optus that made copies of the television broadcasts, not Optus's users. The court found that Optus's role in making the copies was "pervasive", because although the user may have instigated the process by selecting which broadcast to record, it was Optus that embodied the images and sounds of the broadcast in the hard disk of its computers, and which retained possession, ownership and control of the physical copies.<sup>65</sup> These copies were streamed to users, but

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<sup>58</sup> *Singtel Optus Pty Ltd v National Rugby League Investments Pty Ltd (No 2)* [2012] FCA 34 [112] (Rares J).

<sup>59</sup> *Ibid*.

<sup>60</sup> *Ibid* [77].

<sup>61</sup> *Ibid* [79], [81].

<sup>62</sup> *Ibid* [80].

<sup>63</sup> *Ibid* [77].

<sup>64</sup> *National Rugby League Investments Pty Limited v Singtel Optus Pty Ltd* [2012] FCAFC 59.

<sup>65</sup> *Ibid* [52], [67] (Finn, Emmett and Bennett JJ).



were at all times kept in physical form on the hard discs of Optus's computers.<sup>66</sup> Accordingly, Optus could not rely on the time-shifting exception in s. 111 *Copyright Act 1968* to protect itself from liability, because this section is limited to "private and domestic use",<sup>67</sup> and Optus's purpose in making the copies was to "derive such market advantage in the digital TV industry as its commercial exploitation can provide."<sup>68</sup>

Despite finding for copyright owners on appeal, the Full Federal Court was careful to emphasise that it was simply applying the "clear and limited legislative purpose of s. 111",<sup>69</sup> and that there was "nothing in the language, or the provenance, of s 111 to suggest that it was intended to cover commercial copying on behalf of individuals."<sup>70</sup> The court also stressed that its findings should be limited to the particular nature and operation of Optus's TV Now technology, and that different relationships and technologies may well yield different conclusions.<sup>71</sup> Indeed, commentators have suggested that the Full Federal Court's decision was influenced by Optus's evident intention to undercut the extremely lucrative exclusive licensing deal reached between its main competitor, Telstra, and the NRL and AFL.<sup>72</sup>

In both the *Optus TV* decision and the *Kookaburra* case, the judges considered themselves bound to follow the strict letter of the law laid down in the *Copyright Act 1968* (Cth) by the Australian legislature. Yet there is a reluctance underpinning these decisions, particularly the *Kookaburra* case, and for the first time we see explicit discussion and consideration of copyright users as people rather than pirates. In the modern copyright enforcement ecology, rightsholders are moving increasingly to methods that involve courts only at the periphery—either initially, in ordering ISPs to provide rightsholders access to users' names and addresses so that copyright owners may send out letters of demand, or as a last resort, in enforcing private arrangements that require intermediaries to cooperate with enforcement efforts or users to pay up. Ironically, this approach may be the copyright owners' undoing. For courts frustrated with inflexible laws and an unbalanced copyright system, discretionary orders such as preliminary discovery orders and remedy orders may provide the space they seek to inject greater diversity and balance into the operation of copyright law. Courts overseas have used the opportunities provided by preliminary discovery orders to push back against practices like speculative invoicing which have the potential to harm copyright users. In Sect. 4 of this chapter, we detail the efforts of foreign courts to prevent their processes being used as a form of rent-seeking by copyright owners. We then consider how these cases influenced the decision of Justice Perram of Australia's Federal Court in the *Dallas Buyers Club* litigation.

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<sup>66</sup> Ibid.

<sup>67</sup> Ibid [5]–[6].

<sup>68</sup> Ibid [89].

<sup>69</sup> Ibid [96].

<sup>70</sup> Ibid [89].

<sup>71</sup> Ibid [100].

<sup>72</sup> Giblin (2012), p. 632.

## 4 Speculative Invoicing and the International Legal Landscape

Speculative invoicing is a strategy “which seeks to intimidate individuals into easy settlements by way of demand letters and threats of litigation”.<sup>73</sup> It involves, generally, a copyright owner identifying instances of apparent copyright infringement that have occurred through online file-sharing, and obtaining—sometimes through a court order—the contact details of the account holder of the internet connection linked to the sharing activity. The copyright owner then sends the account holder what is typically a dense and legally aggressive cease-and-desist letter, demanding that the account holder pay a financial settlement within a short period of time in order to avoid infringement litigation. The sum demanded is usually many times more than the cost of a retail copy of the copyrighted work, but is significantly less than the amount threatened to be claimed in any future law suit.<sup>74</sup> In most cases the letter induces the recipient to settle the claim and the matter never proceeds to court. Accordingly, there is seldom any public or legal scrutiny of the process.<sup>75</sup>

A key feature of speculative invoicing is that it is a business model in its own right. The initial letter of demand appears to be an assertion of the copyright holder’s uncontestable rights and, in some instances, the wording of the correspondence gives the impression that a court has already determined the matter.<sup>76</sup> In other cases, the letter implies that the sender has lodged a claim in court and that a trial is imminent. But the goal of speculative invoicing is not to end up in court. In fact, the speculative invoicer is typically reluctant to actually proceed to trial at all.<sup>77</sup>

The practice of speculative invoicing, as we know it today, seems to owe its origins to Recording Industry Association of America’s (RIAA) litigation against consumers during the mid-2000s. In the period between 2003 and 2008, the RIAA settled over 30,000 individual infringement claims prior to court, for amounts ranging between \$3000 and \$12,000.<sup>78</sup> Ultimately, the practice of suing its own customers resulted in such a run of bad publicity that in 2008 the RIAA publicly announced that it was abandoning the practice of suing individuals for file-sharing infringement.<sup>79</sup> While the RIAA has since focused its attention on other methods of copyright regulation, including improved access-to-music business models, the practice of intimidating individual (alleged) infringers into pre-trial settlements has been enthusiastically adopted by some members of the motion picture industry.

<sup>73</sup> *Voltage v Doe* [2014] FC 161 [6].

<sup>74</sup> Lasater (2011), pp. 25, 41.

<sup>75</sup> Suzor (2004), p. 227.

<sup>76</sup> *Media CAT v Adams* [2011] EWPCC 6 (‘Media CAT’).

<sup>77</sup> *Golden Eye (International) Ltd v Telefonica UK Ltd* [2012] EWHC 723 [36].

<sup>78</sup> *Ibid*, [38].

<sup>79</sup> Sarah McBride and Ethan Smith, ‘Music industry to Abandon Mass Suits’, *The Wall Street Journal* (online), 19 December 2008, <http://www.wsj.com/articles/SB122966038836021137>.

Courts around the world have begun to respond to concerns about speculative invoicing raised by citizens and consumer advocates. In July 2010, the UK consumer rights organisation, Citizens Advice Bureau, presented a submission to Ofcom, UK's communications regulator, which included statements from citizens who had received speculative invoicing letters of demand.<sup>80</sup> One account was from a consumer who, at the time that he was allegedly infringing copyright, was in fact attending his own wedding.<sup>81</sup> The submission raised the concern that, as a blunt and indiscriminate instrument, speculative invoicing can cause real confusion and alarm to vulnerable persons such as the elderly or those with poor literacy skills.<sup>82</sup> Now aware of these issues, courts have taken advantage of the opportunity provided by a procedural system that requires rightsholders to obtain a court-issued discovery order to compel an ISP to hand over consumer contact details. Courts in the United Kingdom, Canada and now Australia have placed conditions on the grant of discovery orders to allow them to supervise and control the letters sent to alleged infringers by copyright owners, in order to limit any resulting harm. Here we provide an account of the relevant case law in foreign jurisdictions. In Sect. 5, we detail the Australian court's response in the *Dallas Buyers Club* case.

In 2012, the England and Wales High Court handed down their decision in *Golden Eye (International) Ltd v Telefonica UK Ltd* [2012] EWHC 723 ('*Golden Eye*'). This decision established a model for considering user rights when granting preliminary discovery orders in copyright infringement suits. The applicants in *Golden Eye* were copyright owners of a pornographic film. They sought a *Norwich Pharmacal* order to compel the respondent ISP to hand over account holder details of alleged infringers of the film. Named after the case in which it was first granted,<sup>83</sup> a *Norwich Pharmacal* order may be granted where the respondent holds information that is needed by the applicant to pursue redress against a third party who has wronged them.<sup>84</sup> Justice Arnold in *Golden Eye* granted the order, finding that the applicants had produced cogent evidence that their copyright had been infringed and that they would have great difficulty identifying infringers if the *Norwich Pharmacal* order was not granted.<sup>85</sup> However, his Honour gave careful consideration to the interests of the respondent's subscribers and, in doing so, exercised supervisory control over the draft letter that the applicants intended to send to account holders.<sup>86</sup>

Firstly, Justice Arnold stepped outside of the traditional two-party framework of the dispute and allowed the National Consumer Council of England, Wales and

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<sup>80</sup> Citizens Advice Bureau, Submission to Ofcom, *Online infringement of copyright and Digital Economy Act 2010 – draft initial obligations code*, July 2010.

<sup>81</sup> *Ibid*, 4.

<sup>82</sup> *Ibid*, 5–7.

<sup>83</sup> *Norwich Pharmacal Co v Customs and Excise Commissioners* [1974] A.C.133.

<sup>84</sup> A *Norwich Pharmacal* order is roughly analogous to an order under rule 7.22 of the *Federal Court Rules 2011* (Cth), as granted conditionally in the Australian *Dallas Buyers Club* litigation.

<sup>85</sup> *Golden Eye (International) Ltd v Telefonica UK Ltd* [2012] EWHC 723 [145].

<sup>86</sup> *Ibid* [123].

Scotland to intervene in the proceedings and give a voice to the ISP account holders. Significantly, this intervention was as adversarial participants and not as mere *amicus curiae* assisting the court. Secondly, his Honour took care to characterise the account holders as ordinary consumers, some of whom were likely to be low-income earners without access to the kind of specialised legal advice necessary in a copyright infringement dispute.<sup>87</sup> Justice Arnold also acknowledged that the listed account holder may not be the same person as the copyright infringer—the infringing act may have resulted from the conduct of guests or other household members on the account, unknown users on an unsecured wireless network, or unauthorised access programs (Trojans).<sup>88</sup>

Justice Arnold assessed the applicant's draft letter with these considerations in mind. He found that the letter was objectionable for several reasons, including that it provided inadequate information about the nature of the applicant's claim and its possible consequences, that it made unreasonable assertions about the account holder's liability for infringement, and that it was inappropriately worded for its intended audience of ordinary consumers.<sup>89</sup> His Honour also found that the draft letter did not make clear "that the fact that an order for disclosure has been made does not mean that the court has considered the merits of the allegation of infringement against the intended defendant."<sup>90</sup> While Justice Arnold granted the *Norwich Pharmacal* order, he did so on the condition that the letter be amended to address the court's concerns and to "properly safeguard the legitimate interests of the intended defendants".<sup>91</sup>

As the decision of a single judge in an interlocutory application, technically the *Golden Eye* judgment has limited precedent value.<sup>92</sup> However, *Golden Eye* has had significant impact in the development of the concept of user rights under English law and has been followed in similar cases internationally. In the relatively short time since Justice Arnold's judgment, it has been cited in a number of decisions relating to sporting event tickets,<sup>93</sup> broadcasters,<sup>94</sup> and recording companies.<sup>95</sup> The decision was referenced several times by the Australian Federal Court in the *Dallas Buyers Club* dispute,<sup>96</sup> and was persuasive in the Canadian case of *Voltage v Doe* [2014] FC 161.

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<sup>87</sup> *Ibid.*

<sup>88</sup> *Ibid* [103].

<sup>89</sup> *Ibid* [124]–[130].

<sup>90</sup> *Ibid* [125].

<sup>91</sup> *Ibid* [145].

<sup>92</sup> This decision was appealed on other grounds. The conditions placed on the applicant's letter were not disputed. In fact, Lord Justice Patten of the English Court of Appeal remarked that with the safeguards in place, the court had protected the account holders' rights as best as could be achieved without adversely affecting the rights of the applicant copyright holders: *Golden Eye (International) Ltd v Telefonica UK LTD* [2012] EMCA Civ 1740 [21] (Patten LJ).

<sup>93</sup> *Rugby Football Union v Viagogo Ltd* [2012] 1 W.L.R. 3333.

<sup>94</sup> *Cartier International AG v British Sky Broadcasting Ltd* [2015] 1 All E.R. 949.

<sup>95</sup> *EMI Records Ltd v British Sky Broadcasting Ltd* [2013] EWHC 379.

<sup>96</sup> *Dallas Buyers Club LLC v iiNet Limited* (2015) FCA 317 [83].

*Voltage v Doe* [2014] FC 161 involved a motion lodged in the Canadian Federal Court by Voltage Pictures LLC for a *Norwich Pharmacal* order in relation to the ISP, TekSavvy Solutions Inc., which was not a party to the case. Voltage sought the names and addresses of TekSavvy's customers in order to pursue litigation against those customers for unauthorised copying and distribution of Voltage's copyrighted film, *The Hurt Locker*. TekSavvy took no position on the motion; however, as in *Golden Eye*, a consumer rights organisation was joined as a third party to the dispute. The court granted the Samuelson-Glushko Canadian Internet Policy and Public Interest Clinic (CIPPIC) leave to intervene and oppose Voltage's motion on behalf of the unrepresented ISP subscribers.<sup>97</sup> CIPPIC's position was that Voltage was a copyright troll engaged in speculative invoicing, and that the court should not be used as an "inadvertent tool" to assist this practice.<sup>98</sup>

As in *Golden Eye*, the court in *Voltage v Doe* held that it was appropriate to place conditions on any grant of a *Norwich Pharmacal* order so as to protect the legitimate interests of end users.<sup>99</sup> Prothonotary Aalto stated that safeguards were necessary to "ensure that the judicial process [was] not being used to support a business model intended to coerce innocent individuals to make payments to avoid being sued".<sup>100</sup> One of the conditions placed on the order was to require Voltage to submit any letters to the court for approval prior to sending them out to individual account holders. The court also followed a principle set down in an earlier decision of the Canadian Federal Court of Appeal in *BMG Canada Inc. v John Doe* (2005) FCA 193 ('*BMG*'), a file-sharing dispute. *BMG* established that when granting discovery of an account holder's personal information, the court should require the applicant to keep the information confidential and use it only for the purpose of pursuing their claim.<sup>101</sup> In *Voltage v Doe*, Prothonotary Aalto was mindful to ensure that his decision was consistent with both *BMG* and the *Golden Eye* decision in the UK.<sup>102</sup> This approach was later followed in Australia, meaning that the issue of speculative invoicing has been treated similarly across diverse jurisdictions.

The *Voltage* court ultimately granted discovery, but ordered the matter to proceed as a "specially managed action".<sup>103</sup> This required that a Case Management Judge be appointed to review the conduct of Voltage in dealing with account holders and to review and approve draft demand letters.<sup>104</sup> This supervisory condition was a notable feature of Prothonotary Aalto's decision, and was later recognised and adopted as an important safeguard by the Australian Federal Court in the *Dallas Buyers Club* case.

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<sup>97</sup> *Voltage v Doe* [2014] FC 161 [4].

<sup>98</sup> *Ibid* [6].

<sup>99</sup> *Ibid* [35].

<sup>100</sup> *Ibid*.

<sup>101</sup> *BMG Canada Inc. v John Doe* (2005) FCA 193 [34].

<sup>102</sup> *Ibid* [134].

<sup>103</sup> *Ibid* [137].

<sup>104</sup> *Ibid* [137], [138].

## 5 The Dallas Buyers Club Litigation in Australia

The 2013 Jean-Marc Vallée film *Dallas Buyers Club* portrays the true story of Ron Woodroof, a Dallas electrician who, after being diagnosed with AIDS, battled slow-moving drug regulation to provide expedited access to anti-viral medication to fellow sufferers. The film was critically acclaimed and secured three Academy Awards. Just like the film *The Hurt Locker*, which was the copyright work at issue in the *Voltage v Doe* litigation, the *Dallas Buyers Club* film was produced and distributed by Voltage Pictures.

By the time the *Dallas Buyers Club* litigation commenced in Australia, Voltage's international reputation as an aggressive copyright enforcer preceded it. Voltage had already launched a large number of lawsuits across the United States against internet users suspected of the unauthorised file-sharing of the *Dallas Buyers Club* film.<sup>105</sup> The US actions were commenced in 2014 in classic speculative invoicing style: Voltage initially claimed the sum \$150,000 from each defendant while almost immediately offering to settle out of court for around \$8000.<sup>106</sup> Most US defendants, faced with the commercial reality of \$25,000 to \$50,000 in legal fees to mount a defence and the prospect of statutory damages under the US *Copyright Act*, were quick to settle.<sup>107</sup>

On 14 October 2014, Dallas Buyers Club LLC, a subsidiary of Voltage Pictures LLC (together 'DBC'), filed an application in the Federal Court registry against six Australian ISPs ('the ISPs'), including iiNet. The application was for preliminary discovery under rule 7.22 of the *Federal Court Rules 2011* (Cth) ('FCR 7.22'). DBC claimed to have identified 4726 unique IP addresses that had shared the *Dallas Buyers Club* film over the peer-to-peer file-sharing network, BitTorrent.<sup>108</sup> DBC contended that this sharing infringed its copyright in the film and that it required the names and addresses of the ISPs' customers in order to pursue the infringers.<sup>109</sup>

The ISPs resisted the application on a number of grounds, including that the claims against individual account holders were speculative in nature.<sup>110</sup> The ISPs argued that DBC was unlikely to bring court actions against individual infringers—since the commercial unit value of the film was less than \$10 per copy, it would not

<sup>105</sup> See, for example, *Voltage Pictures, LLC v Does 1-198, Does 1-12, Does 1-34, Does 1-371* 1:13-cv-00293-CL (D Od, 2013), where the Oregon court criticised Voltage for its "underhand business model".

<sup>106</sup> Jessica Oh, 'Hundreds of Coloradans sued by 'Dallas Buyers Club' maker' *IndyStar* (online), 26 December 2014, <https://www.indystar.com/story/news/local/2014/12/26/dallas-buyers-club-lawesuit-colorado-pirating/20923933/>.

<sup>107</sup> Lisa Parker, 'Movie Studio Targets Consumers for Illegal Downloads' 5 *NBC Chicago* (online), 1 May 2014, <http://www.nbcchicago.com/investigations/Movie-Studio-Targets-Consumers-For-Illegal-Downloads-257608961.html>.

<sup>108</sup> *Dallas Buyers Club LLC v iiNet Limited* [2015] FCA 317 [1].

<sup>109</sup> *Ibid.*

<sup>110</sup> *Ibid* [73].

make commercial sense.<sup>111</sup> Thus, they alleged that DBC was most likely using the preliminary discovery process as a means for speculative invoicing, rather than as a tool for identifying defendants for individual infringement actions. The ISPs cautioned that if the court was minded to grant the application sought, then it should do so with safeguards to maintain the privacy of account holders and to ensure that DBC did not engage in speculative invoicing.<sup>112</sup>

Justice Perram of the Federal Court held that while the arguments presented by the ISPs did not justify the withholding of discovery, some would influence the conditions that he would impose on a discovery order.<sup>113</sup> His Honour was particularly concerned about speculative invoicing, observing that Voltage had given the distinct impression that it would act as aggressively as it was legally permitted.<sup>114</sup> Despite his concerns, Justice Perram found that making contact with account holders was necessarily the first place for DBC to start in pursuit of its legitimate claims, and on 7 April 2015, he granted preliminary discovery.<sup>115</sup>

With the object of guarding against speculative invoicing, Justice Perram imposed an important condition on his grant of discovery order: that DBC submit to the court for approval a draft of the letter it proposed to send to account holders.<sup>116</sup> In making this order, his Honour expressly followed the decisions in *Golden Eye* and *Voltage v Doe*, discussed above. He also instructed DBC that it must only use account holder information for the purposes of identifying, suing and negotiating with the alleged infringers. Again, Justice Perram commented that he was influenced by the UK court in *Golden Eye*, which had imposed the same privacy safeguard on the granting of a *Norwich Pharmacal* order in that case.<sup>117</sup> In a subsequent costs hearing on 6 May 2015, the court reiterated that the names and addresses of account holders would not be provided to DBC until the court had approved DBC's draft letter to alleged infringers.<sup>118</sup> As Justice Perram vividly articulated:

...the Court was not going to open the sluice gates until it saw the proposed correspondence and until DBC satisfied the Court that it was that approved correspondence, and not something else, such as a dead cat, that DBC was going to send to account holders.<sup>119</sup>

DBC subsequently supplied to the court several versions of the letter that it proposed to send to account holders, and made application to lift the stay imposed on the preliminary discovery order.<sup>120</sup> DBC's draft letter proposed to recover damages under four heads:

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<sup>111</sup> *Ibid.*

<sup>112</sup> *Ibid* [2].

<sup>113</sup> *Ibid* [74].

<sup>114</sup> *Ibid* [81].

<sup>115</sup> *Ibid* [57].

<sup>116</sup> *Dallas Buyers Club LLC v iiNet Limited* [2015] FCA 317 [93].

<sup>117</sup> *Ibid* [86], [87].

<sup>118</sup> *Dallas Buyers Club LLC v iiNet Limited (No 3)* [2015] FCA 422 [22].

<sup>119</sup> *Ibid* [10].

<sup>120</sup> *Dallas Buyers Club LLC v iiNet Limited (No 4)* [2015] FCA 838.



- (a) The cost to purchase a single copy of the film;
- (b) A one-off worldwide BitTorrent distribution licence fee;
- (c) Punitive damages based on the number of other copyrighted works that had been downloaded by the alleged infringer; and
- (d) The costs incurred in obtaining the alleged infringer's details.<sup>121</sup>

Justice Perram held that (a) was a plausible claim, and that there was a "certain biblical charm" to DBC being able to recover an amount that was equal to what had been taken from it.<sup>122</sup> Likewise, his Honour considered it reasonable that the costs proposed in (d) should also be recoverable.<sup>123</sup> However, the other two heads of damage were found to be figurative 'dead cats': untenable claims, outside the power of FCR 7.22.<sup>124</sup>

With respect to claim (b), DBC proposed a counterfactual to unlicensed filesharing: a user might have approached DBC and negotiated a licence fee for DBC to authorise worldwide distribution of the *Dallas Buyers Club* film via BitTorrent.<sup>125</sup> Justice Perram described this as a notion "so surreal as not to be taken seriously"<sup>126</sup> and found that it was likely to be summarily dismissed without trial under section 31A(2) *Federal Court of Australia Act* 1976 (Cth).<sup>127</sup> The punitive damages sought under (c) were claimed with reference to section 115 of the *Copyright Act* 1968 (Cth), which provides considerations for relief for electronic infringement and which appears to have been drafted, in part, with peer-to-peer filesharing activity in mind.<sup>128</sup> Section 115(5) and (6) apply where the court is satisfied that an infringement involving the communication of copyright material occurred and that because the material was communicated to the public, it is likely that there were other infringements of the copyright by the defendant that the plaintiff did not prove in the relevant court action. In these circumstances, if taken together the proved infringement and likely infringements were on a commercial scale, the court may have regard to the likely infringements in deciding what relief to grant for the proved infringements. In relation to the proposed letter of demand, Justice Perram held that as DBC had failed to detail how it proposed to calculate these damages, or what

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<sup>121</sup> *Ibid* [15].

<sup>122</sup> *Ibid* [17].

<sup>123</sup> *Ibid* [18].

<sup>124</sup> *Ibid* [33].

<sup>125</sup> *Ibid* [21].

<sup>126</sup> *Ibid* [23].

<sup>127</sup> This section provides that the Federal Court may grant summary judgment for one party against another, in relation to the whole or part of a proceeding, if the first party is defending the proceeding and the court is satisfied that the other party has no reasonable prospect of successfully prosecuting the proceeding: *Federal Court of Australia Act* 1976 (Cth), s31A(2). In making this finding, Justice Perram discussed the cases of *Autodesk Australia Pty Ltd v Cheung* (1990) 94 ALR 472 and *Halal Certification Authority Pty Ltd v Scadilone Pty Ltd* (2014) 107 IPR 23. See *Dallas Buyers Club LLC v iiNet Limited (No 4)* [2015] FCA 838 [22]–[23].

<sup>128</sup> *Dallas Buyers Club LLC v iiNet Limited (No 4)* [2015] FCA 838 [29].

precisely it planned to demand from account holders under this head of damage, any mention of punitive damages in the letter was not permitted.<sup>129</sup>

The court advised that if DBC gave a written undertaking to only pursue damages under heads (a) and (d), the court would lift the stay on the discovery order. But DBC did not provide the undertakings required of it by the court, and instead continued to push to be able to recover punitive damages.<sup>130</sup> At this point, Justice Perram, clearly frustrated by how the case had dragged on, made a self-executing order that would terminate proceedings unless DBC lodged a further application or appeal by 11 February 2016. DBC did not appeal or make a further application to the court, and so the case terminated in accordance with Justice Perram's order. In failing to respond to the court, DBC undermined the oft-repeated claim by rightsholders that all they seek to recover is the revenue lost when potential buyers are diverted by unlawful filesharing from purchasing legitimate copies of their films.<sup>131</sup>

The *Dallas Buyers Club* case is significant because Justice Perram used his discretion in granting a preliminary discovery order as a tool to preserve the due process rights of users subject to copyright enforcement. He was concerned by the challenges to procedural fairness that speculative invoicing poses, where users are frightened away from court proceedings (where they would receive an impartial and balanced hearing), and perhaps even from seeking legal advice, by the threat of enormous costs to themselves and their families. Justice Perram was following persuasive precedent set down in other jurisdictions, where courts had been critical of speculative invoicing as a general practice. But he was also doing much more than that. In exhibiting concern for users and in ensuring that any letters of demand only sought a reasonable amount, Justice Perram's decision became part of a new kind of copyright case in Australia. The *Dallas Buyers Club* decision is one of only a few cases—though all recent—that may be beginning to push back against the heavy weight of copyright authority which favours rightsholders. It is part of a shift, seen also in Justice Rare's decision in *Optus TV*, that seeks to understand copyright users better and treat them more fairly.

## 6 Conclusion

In this chapter, we have provided an account of the burgeoning trend in Australian copyright case law towards a more sympathetic treatment of copyright users. Copyright is a strict liability tort and, subject to evidence, infringement is often

<sup>129</sup> Ibid [32].

<sup>130</sup> *Dallas Buyers Club LLC v iiNet Limited (No 5)* [2015] FCA 1437 [52]–[53].

<sup>131</sup> When advocating for copyright reform to combat piracy, rightsholders often cite a 1:1 figure for lost sales attributed to piracy. See, for example, Carl Bialik, 'Putting a Price Tag on Film Piracy', *The Wall Street Journal*, 5 April 2013, <http://blogs.wsj.com/numbers/putting-a-price-tag-on-film-piracy-1228/>; WIPO Advisory Committee on Enforcement, 'Copyright Enforcement in the Digital Age: Economic Evidence and Conclusions' (WIPO/ACE/10/20) 25 August 2015, [http://www.wipo.int/edocs/mdocs/enforcement/en/wipo\\_ace\\_10/wipo\\_ace\\_10\\_20.pdf](http://www.wipo.int/edocs/mdocs/enforcement/en/wipo_ace_10/wipo_ace_10_20.pdf).

easily established. Precedent has long favoured copyright owners, particularly in cases involving the internet and online intermediaries. But users have far more at stake in copyright cases than simply being denied access to the copyright content in issue. Invariably, these cases implicate users' rights and interests relating to privacy, due process and access to internet services.<sup>132</sup> The Australian Federal Court has started to express some concern that users are getting the short end of the stick when it comes to strong copyright enforcement. The *Dallas Buyers Club* series of cases offers an interesting example of how judges can use their discretion in granting discovery orders and determining remedies to ensure that enforcement processes completed outside of the court—such as the sending of letters of demand—are subject to appropriate oversight and treat users fairly.

How courts treat users can have profound practical consequences, especially if Australian ISPs and content owners reach agreement on a copyright notice scheme. Copyright notice schemes are private ordering systems under which copyright holders and ISPs develop an industry code of practice to deal with online infringement by ISP customers.<sup>133</sup> Private ordering schemes are in place in parts of Europe, Ireland and the US,<sup>134</sup> and have been repeatedly proposed and presented in Australia.<sup>135</sup> The most recent (draft) iteration of an Australian copyright notice scheme occurred in 2015, following a letter from the Attorney-General, Senator George Brandis, and then Minister for Communications, Malcolm Turnbull, to telecommunications industry leaders.<sup>136</sup> The letter warned that if ISPs and rightsholders could not reach private agreement on an industry code of practice for tackling online copyright infringement, then the Government would prescribe binding arrangements.<sup>137</sup> The Communications Alliance developed a draft code, under which ISPs were required to send a series of escalating “educational notices” to account holders upon notice from rightsholders that infringement had been detected at the account holders' IP addresses.<sup>138</sup> The code provided that if three notices were received by an account holder within a 12-month period, the account holder's ISP must “facilitate and assist” the copyright owner's application to a court to obtain the account hold-

<sup>132</sup> Suzor and Fitzgerald (2011), p. 1.

<sup>133</sup> Bridy (2010), p. 81.

<sup>134</sup> Giblin (2014), p. 147; Bridy (2010), p. 81; Bridy (2012), p. 1.

<sup>135</sup> The previous attempt was in 2011: Communications Alliance Ltd, *Australian Internet Service Provider (ISP) Proposal: A Scheme to Address Online Copyright Infringement*, [http://www.commsalliance.com.au/\\_\\_data/assets/pdf\\_file/0019/32293/Copyright-Industry-Scheme-Proposal-Final.pdf](http://www.commsalliance.com.au/__data/assets/pdf_file/0019/32293/Copyright-Industry-Scheme-Proposal-Final.pdf).

<sup>136</sup> Attorney General for Australia and Minister for the Arts, Senator the Hon. George Brandis QC and Minister for Communications, the Hon. Malcolm Turnbull, Collaboration to tackle online copyright infringement, Joint Media Release, 10 December 2014, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2F3552555%22>.

<sup>137</sup> Ibid.

<sup>138</sup> Communications Alliance Ltd, *Industry Code C653:2015, Copyright Notice Scheme* (2015) [3.1].

er's contact details.<sup>139</sup> The *Dallas Buyers Club* decision indicates that where ISPs have agreed to work with rightsholders, they will indeed be expected to cooperate and not to impede proceedings.<sup>140</sup> However, that case also demonstrates that copyright owners will not be given free reign to do whatever they like with account holders' personal details. The Federal Court made clear that any enforcement measures flowing from discovery proceedings must be proportionate, transparent and fair.

A copyright notice scheme has not yet been implemented in Australia. The Communication Alliance's draft code did not commence on the proposed implementation date of 1 September 2015, because rightsholders and ISPs have been unable to agree on who will bear the costs of issuing notices and administering the scheme. At the time of writing this chapter, there has been no news on the copyright notice scheme for some time. The Communications Alliance CEO John Stanton was recently quoted as saying, "Negotiations between rights holders and ISPs concerning the commercial underpinnings of the draft Copyright Notice Scheme Code have made little progress of late..."<sup>141</sup> Stanton believes that the recently introduced website-blocking legislation is currently a higher priority for rightsholders.<sup>142</sup> Nevertheless, private methods of enforcement loom large in copyright regulation internationally, and it is likely only a matter of time before Australia adopts a private ordering scheme of the kind proposed by the Communications Alliance. If Australia does indeed join other countries in introducing a private notice system, then the *Dallas Buyers Club* litigation may prove significant in guiding how the preliminary discovery applications that flow from that process will be managed.<sup>143</sup> If courts follow Justice Perram's lead, then users and their interests will be central to the discussion of copyright enforcement, rather than relegated to the sidelines.

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<sup>139</sup> *Ibid* [3.12.8].

<sup>140</sup> See *Dallas Buyers Club LLC v iiNet Limited (No 3)* [2015] FCA 422, where Justice Perram criticised iiNet's overly adversarial approach to proceedings.

<sup>141</sup> Rohan Pearce, "Copyright notice scheme takes back seat to website blocking" *Computer World* (online), 11 February 2016 <http://www.computerworld.com.au/article/593800/copyright-notice-scheme-takes-back-seat-website-blocking/>.

<sup>142</sup> See *Copyright Amendment (Online Infringement) Act 2015* (Cth), which inserted a new section 115A into the *Copyright Act 1968* (Cth).

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# The Making Available Right: Problems with “the Public”



Cheryl Foong

## 1 Introduction

In recent years, we have seen developments in networked technologies such as cloud storage throw the spotlight on the exclusive right of the copyright owner to communicate copyright material to the public. Since its introduction through the WIPO Internet Treaties, the right to communicate to the public by “making available” has promised to take centre stage in the Internet era we now inhabit. However, it has not been until recent times that the scope and impact of the making available right has come under close scrutiny.

This chapter reviews the elements and operation of the making available right,<sup>1</sup> focusing in particular on the increasingly problematic notion of “the public”.<sup>2</sup> It will analyse the pitfalls of a judicial trend, spanning several jurisdictions,<sup>3</sup> that exhibits an expansive interpretation of the element. This trend is found in recent cases, and is further illuminated by an analysis of historical cases. This chapter posits that an

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<sup>1</sup> This chapter will use the terms “making available right” as a shorthand description of the right to communicate to the public by making available. Note that the making available right may more accurately be described as a subset of the communication right. Ginsburg notes that it is not entirely clear whether the making available right may be considered a substantive enlargement of Berne Convention rights or a mere affirmation of the existing scope of rights, and prefers to describe it as clarification: Ginsburg (2004). In terms of the legal nature of the WCT as a ‘special agreement’, see Ficsor (2002), pp. 18–19; Ricketson and Ginsburg (2006), p. 145.

<sup>2</sup> Judicial approaches to the act of “making available” in the context of cloud technologies are discussed by the author in Foong (2015), p. 583.

<sup>3</sup> This chapter considers judicial interpretations of the public in the US, Australia and by the Court of Justice of the European Union. Where relevant, historical UK decisions that constitute precedent in Australia will be discussed.

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approach to copyright that takes into account its dissemination function—to promote the dissemination of knowledge and culture—would bring a deeper level of understanding and balance to the issues at hand.

## 2 The Elements: An “Act” of Making Available That Is “To The Public”

The right to communicate to the public was introduced over 20 years ago in the WIPO Copyright Treaty (WCT)<sup>4</sup> and WIPO Performances and Phonograms Treaty (WPPT),<sup>5</sup> which were collectively termed the “Internet Treaties”.<sup>6</sup> One of the key objectives of the Internet Treaties was to address the potential of internet communications, by remedying the perceived gaps in the Berne Convention, which covered a variety of technology-specific rights attached to different subject matter.<sup>7</sup> Therefore, article 8 of the WCT made clear that the right to communicate to the public encompassed on-demand (“pull”) communications that merely offered content, and that an actual transmission of content was not required.<sup>8</sup> In other words, the right may be exercised even if the recipient user has to interact with the system, and has some control or choice as to when and where the works are received.<sup>9</sup> Article 8 provides:

[A]uthors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.

At a basic level, we know that the concept of “the public” may be distinguished from the private and domestic sphere.<sup>10</sup> However, means of exploiting and disseminating copyright content are increasingly “individualized”. As the making available right (or its national equivalents)<sup>11</sup> expand the relevant act to include accessibility

<sup>4</sup> *WIPO Copyright Treaty* adopted 20 December 1996, S. Treaty Doc. No. 105-17 (1997); 36 ILM 65 (1997) (Australia entry into force 26 July 2007; US entry into force 6 March 2002) (‘WCT’).

<sup>5</sup> *WIPO Performances and Phonograms Treaty* adopted 20 December 1996, S. Treaty Doc. No. 105-17, 36 ILM 76 (1997) (Australia entry into force 26 July 2007; US entry into force 20 May 2002) (‘WPPT’).

<sup>6</sup> Ficsor (2002), pp. 414–415.

<sup>7</sup> Ibid 495.

<sup>8</sup> Note that the right of making available to the public is recognized as a stand-alone right in article 10 and 14 of the WPPT, and expressed in article 8 of the WCT as a “sub-right” to the communication to the public right.

<sup>9</sup> Ricketson and Ginsburg (2006), pp. 741–742. This may be contrasted with the “push” model, for example in the case of broadcasts, where the broadcaster is in control.

<sup>10</sup> See eg Ricketson and Ginsburg (2006), p. 704 (noting that the opposite to ‘public’ is ‘private’, and that the immediate family circle would be excluded from that which is ‘public’).

<sup>11</sup> See for example the US ‘transmit clause’, set out in footnote 61 below.



regardless of whether content is transmitted, the private or public nature of the place where the communication is received becomes immaterial, so long as they *may* be accessed by members of the public.<sup>12</sup> Recipients are able to perceive the copyright content in the comfort of their home, in contrast to conventional performances occurring in the public realm. The distinction is not just spatial, but also temporal. Unlike broadcasts, content is not necessarily received from a central entity at the same time as other members of the public. As the making available right provides, members of the public may access works ‘from a place and at a time individually chosen by them’. So, how do we maintain this public/private distinction today? Is this a workable standard or limitation upon a right to provide individualised access to content?

The broadening of the act clarifies that certain types of conduct *could* constitute an act of making available. In other words, it lowers the threshold for satisfying the act, but the outer limits remain undefined. Existing notions of what it means to “communicate” are increasingly being challenged as novel means of making content accessible arises. The broad and undefined nature of the act further intensifies problems surrounding “the public”. Therefore, it is necessary to identify the limits of “the public”, as well as the “act”. In the confines of this chapter however, our focus is on “the public” and the complications that follow from an overly expansive interpretation of this concept.<sup>13</sup> Neither the Internet Treaties nor the Berne Convention provide a definition of “the public”; interpretation of this concept is left to local legislatures and courts.<sup>14</sup> Nevertheless, a comparative analysis of case law across several jurisdictions<sup>15</sup> reveals a common theme. The decisions place emphasis on the notional licensing “market” of the rightsholder that ought to be protected

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<sup>12</sup> See *Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SA* (Court of Justice of the European Communities, Case C-306/05, 7 December 2006) [50] (‘It is apparent from both the letter and the spirit of Article 3[1] of Directive 2001/29 and Article 8 of the WIPO Copyright Treaty—both of which require authorisation by the author not for retransmissions in a public place or one which is open to the public but for communications by which the work is made accessible to the public—that the private or public nature of the place where the communication takes place is immaterial.’); *Telstra v APRA* (1997) 191 CLR 140, 156 (‘The distinction between what is “in public” and what is “in private” is of little assistance in determining what is meant by transmission “to the public”. The transmission may be to individuals in private circumstances but nevertheless be to the public.’); *On Command Video Corporation v Columbia Pictures Industries* 777 F. Supp. 787 (N.D. Cal. 1991), p. 790 (‘The non-public nature of the place of the performance has no bearing on whether or not those who enjoy the performance constitute “the public” under the transmit clause.’).

<sup>13</sup> See Foong (2015), p. 583 (arguing for clearer analysis of the ‘act’ of making available in the context of cloud services).

<sup>14</sup> Note that although the precise demarcation of what is ‘public’ remains a matter of national determination due to the lack of Conventional guidelines, Ricketson and Ginsburg argue that it is ‘subject to the implied qualification that this line should not be set in such a way as to prejudice the author’s right to exploit his work by means of public performance or communication to the public’: Ricketson and Ginsburg (2006), p. 705. See also Reinbothe and von Lewinski (2015), p. 141.

<sup>15</sup> The jurisdictions covered are Australia, the US and EU. It should be noted that this chapter does not provide comprehensive coverage of all cases that have considered the issue, but key cases that are representative of the approaches in these jurisdictions.

through a broad interpretation of “the public”. Furthermore, this market-centric approach is not a new phenomenon. Decisions interpreting the public performance right earlier in the twentieth century show that this approach developed well before the emergence of wired or individualised communications.

A point that can be made at this stage regarding the act of making available is this: in light of an unclear act, there is immense pressure on the concept of the public to operate as a limitation of the making available right. However, as this chapter shows, if current approaches to “the public” are maintained and “the public” continues to be the only operative limitation on the right, we may be doing authors a disservice by hindering the development of technologies that disseminate their works to the public.

### 3 Copyright’s Dissemination Function: Building a Coherent Theoretical Framework

An underappreciated aspect of copyright policy is its dissemination function. Most are familiar with copyright’s Anglo-Saxon history, stemming from the proliferation of book printing and the Statute of Anne of 1710.<sup>16</sup> The title of the statute itself provided that it was ‘[a]n Act for the Encouragement of Learning’,<sup>17</sup> which many would interpret to embody the utilitarian theory of copyright.<sup>18</sup> The utilitarian theory posits that creators are granted property rights in order to incentivise authorship of works, which in turn benefit the reading public through their wide distribution.<sup>19</sup> Therefore, on the basis of this theory, copyright has two core functions<sup>20</sup> that go hand in hand to promote the public interest in “learning”, i.e.:

1. Incentivising authorship; and
2. Disseminating the resulting works to the public.

<sup>16</sup>The passing of the Statute of Anne in 1710 represents the first formal recognition of literary property under the common law system, although the concept that one could have exclusive possession of printed works long preceded that date: see Atkinson and Fitzgerald (2011), p. xv (Introduction).

<sup>17</sup>*Statute of Anne 1710* (London).

<sup>18</sup>See eg *IceTV Pty Limited v Nine Network Australia Pty Limited* [2009] HCA 14; (2009) 239 CLR 458 471 (per French CJ, Crennan and Kiefel JJ, describing the utilitarian role of the statute as a ‘social contract’ between the author and the public); cf. Zimmerman (2010), p. 965 (arguing that these lofty aspirations were more rhetorical than substantive, benefitting only a small portion of the literate citizenry). See also Patterson (1965), pp. 223, 236 (arguing that ‘while the statute clearly benefitted the author, it was primarily an antimonopoly trade regulation statute.’).

<sup>19</sup>It should be noted that in contrast to the economic or utilitarian theory, there are less established but nonetheless important theories that emphasise social flourishing and free speech ideals, described by William Fisher as “social planning theory”: see Fisher (2001).

<sup>20</sup>Note that Patterson and Birch have described copyright as having one purpose (to promote learning), which is fulfilled by several functions, i.e. ‘to encourage the creation, dissemination, and use of learning materials’: Patterson and Birch Jr (2009), pp. 215, 392.

An important link between the creators of content and the public is the intermediaries or disseminators of that content. The discussion of recent case law that follows will show that the making available right does have an impact on the shape of technology, and on the incentives of these disseminators to innovate and introduce new forms of communications services to consumers.

While the facilitation of technological advancement is a task often seen as borne by copyright's exceptions and secondary liability principles, it is less likely to be subscribed to the scope of exclusive rights which are central to the property paradigm of copyright law.<sup>21</sup> In cases interpreting the exclusive communication or performance right,<sup>22</sup> an overwhelming sentiment is the need to protect copyright's authorship-incentivising objective, or what Professor Tim Wu calls copyright's “authorship policy”.<sup>23</sup> This may be contrasted with copyright's “communications policy”, i.e. the regulation of competition among rival disseminators of copyright content.<sup>24</sup> This rivalry occurs when a new disseminator, or in competition policy terms—a new market entrant, seeks to compete with or displace an incumbent disseminator.<sup>25</sup> If we ignore these rivalries, it is easy to assume that merely incentivising authorship and securing property rights to creators and producers necessarily optimises the dissemination of those works to the public. In communications policy terms, this may be described as the stewardship model, which is a belief that ‘simple, clear and broad entitlements, unfettered by any regulation, will lead to the optimal deployment and development of communication technologies’.<sup>26</sup> However, incentivising authorship and maximising the immediate markets for remuneration of creators and producers may come at the expense of the public interest in access, and future innovation in communication technologies.

<sup>21</sup> See Ohly (2009), p. 213; Patterson (2001), pp. 703, 726 (criticizing the rigidity of a property paradigm which regulates bilateral relations between owner and public, and its inability to accommodate various classes of persons).

<sup>22</sup> Note that the US does not have an explicit making available right, but relies on existing exclusive rights (including the public performance right) to give effect to its obligations under the WCT: US Department of Commerce, ‘Copyright Policy, Creativity, and Innovation in the Digital Economy’ (Green Paper, US Department of Commerce, July 2013) 15 <<http://www.uspto.gov/news/publications/copyrightgreenpaper.pdf>>, citing US House of Representatives, Committee on the Judiciary, ‘WIPO Copyright Treaties Implementation and On-Line Copyright Infringement Liability Limitation’ (HR Rep No 105-551, 1998) pt. 1, 9: ‘The treaties do not require any change in the substance of copyright rights or exceptions in US law’.

<sup>23</sup> Wu (2004), pp. 278, 281–283.

<sup>24</sup> Ibid 279. Wu notes that, depending on what one accepts as “copyright”, copyright's management of rival disseminators actually predates copyright's authorship regime, as it had roots as a publisher's right ‘with no concern for the author’: ibid 288; citing Patterson (1968), p. 8.

<sup>25</sup> Wu describes this communication's regime explicitly in competition policy terms: Wu (2004), p. 286 (‘As presented in this paper, ... the term ‘communications policy’ is taken simply to mean a special case of competition, or antitrust policy as between disseminators.’). Note that while Wu's “communications policy” is limited to disseminators (see eg ibid 325 and 339), it is worth considering a broader “dissemination function” of copyright which integrates Wu's communications policy with authorial incentives to create and disseminate.

<sup>26</sup> Ibid 329–331.

## 4 Contemporary Approaches to “the Public”

Copyright’s dissemination function, while important, seems to be largely disregarded when courts are interpreting the element of “the public”. This is apparent from a common theme that spans several jurisdictions in relatively recent decisions, which is a focus on the commercial interest of the rightsholder, and the perceived need to protect the rightsholder’s licensing “market”. An assumption that underlies these market-centric approaches is that once property rights are secured, efficient distribution of the copyright work will occur. However, this approach is not necessarily appropriate for interpreting the making available right, or more specifically, for interpreting “the public” as a limitation. In the EU acquis, interpretations of “the public” have been established fairly recently by the Court of Justice of the European Union (CJEU).<sup>27</sup> Conversely, current interpretations of “the public” by US and Australian courts stem from a heritage that is over a century old. Despite their differing origins, this common theme is still apparent.

### 4.1 The “New Public” Criteria in the EU

In recent times, there has been a proliferation of cases before the CJEU on the making available right.<sup>28</sup> A prominent case involving internet communications is the 2014 decision of *Svensson et al v Retriever Sverige AB*<sup>29</sup>, which held that linking (i.e. posting a link) constitutes an act of making available.<sup>30</sup> The defendant in question was a web-aggregator that collected links to news articles, periodically issuing a list of links to each of its subscribers. The articles linked to had been made accessible to the public by the rightsholders on their news websites without restriction.

The broad interpretation of the act to include linking was however qualified by the court’s interpretation of “the public”. The court held that where the communication uses the “same technical means” (here the initial website and the link both

<sup>27</sup> The Information Society directive that harmonised the making available right EU-wide was introduced in 2001: Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the Harmonisation of Certain Aspects of Copyright and Related Rights in the Information Society [2001] OJ L 167/10.

<sup>28</sup> In addition to the cases discussed here, see also *Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SA* (Court of Justice of the European Communities, Case C-306/05, 7 December 2006); *Football Association Premier League v QC Leisure*; *Karen Murphy v Media Protection Services Ltd* (Court of Justice of the European Communities, Joined Cases C-403/08 and C-429/08, 4 October 2011); *ITV et al v TVCatchup* (Court of Justice of the European Communities, Case C-607/11, 7 March 2013); *BestWater International GmbH v M Mebes & S Potsch* (Court of Justice of the European Communities, Case C-348/13, 21 October 2014).

<sup>29</sup> *Nils Svensson, Sten Sjögren, Madelaine Sahlman, Pia Gadd v Retriever Sverige AB* (Court of Justice of the European Communities, Case C-466/12, 13 February 2014) (*‘Svensson’*).

<sup>30</sup> The CJEU held that ‘this must be construed broadly’ in order to ensure ‘a high level of protection for copyright holders’: *ibid* [17].

enabled access through the internet),<sup>31</sup> it must be directed to a “new public”.<sup>32</sup> A new public is ‘a public that was not taken into account by the copyright holders when they authorized the initial communication to the public’.<sup>33</sup> In *Svensson*, the same links were not directed to a new public, because the news articles were already freely available to the public on the websites, without any restrictions on access.<sup>34</sup>

This “new public” standard unfortunately raises more questions than answers. For example, how do we determine what public was initially authorised? The response to this question is based on a moving target—on what the rightsholder intends. It would not require a leap of logic to conclude that a rightsholder intends that there be many sections of the public from which the rightsholder can expect separate remuneration. As a result, the “new public” criteria is of limited utility to delineate what satisfies the element of “the public”.<sup>35</sup> In addition to these difficulties of interpretation, the concept leads to possible exhaustion of the right and potentially encourages rightsholders to restrict and compartmentalise their notional “publics”.<sup>36</sup> If the right is to be limited in such a way, it should be given effect through a well-reasoned principle, not as an inadvertent effect.

Conceptual difficulties aside, a practical complication that arises from the “new public” criteria is this: how “public” (or conversely, how restricted) does accessibility have to be initially before you can find a “new public” via the Internet? The case of *GS Media v Sanoma*<sup>37</sup> illustrates this interpretational challenge. Here copyright content was placed on a cloud storage locker called FileFactory by an anonymous

<sup>31</sup> In contrast, the test led to a different outcome in *ITV et al v TVCatchup* (Court of Justice of the European Communities, Case C-607/11, 7 March 2013). This CJEU case involved an internet service that would capture free-to-air broadcast signals and record these in digital formats that could be streamed back to the user on-demand. The Court held that the “new public” criteria had to be satisfied only if the defendant was using the “same technical means” as the initial communication. In this instance, because TVCatchup provided subscribers with access through a technical means different from the initial communication, the communication did not have to be directed to a “new public”. However, it is unclear how one is to distinguish relevantly different from “same” technical means.

<sup>32</sup> It should be noted that this “new public” theory was first developed in *Sociedad General de Autores y Editores de España (SGAE) v Rafael Hoteles SA* (Court of Justice of the European Communities, Case C-306/05, 7 December 2006).

<sup>33</sup> *Svensson* (Court of Justice of the European Communities, Case C-466/12, 13 February 2014) [24].

<sup>34</sup> *Ibid* [26]–[27], [31].

<sup>35</sup> Another criticism raised by Mihály Ficsor is that this “new public” criteria has no basis whatsoever in the Berne Convention, and that the CJEU erroneously purported to rely on an out-of-date WIPO Guide published in 1978: Mihály Ficsor, *Svensson: Honest Attempt at Establishing Due Balance Concerning the Use of Hyperlinks – Spoiled by the Erroneous ‘New Public’ Theory* (5 May 2014), p. 20 <[http://www.copyrightseesaw.net/archive/?sw\\_10\\_item=68](http://www.copyrightseesaw.net/archive/?sw_10_item=68)>. See also Ricketson and Ginsburg (2006), pp. 725–726 (on the consideration of the ‘new audience’ standard for broadcast transmissions under the Berne Convention, and the rejection of that standard).

<sup>36</sup> See Ficsor (2014).

<sup>37</sup> *GS Media BV v Sanoma Media Netherlands BV, Playboy Enterprises International Inc, Britt Geertruida Dekker* (Court of Justice of the European Communities, Case C 160/15, 8 September 2016).

third party. FileFactory assigned a unique web address or link to this file, therefore anyone with knowledge of this link could enter it into their browser and gain access to it on FileFactory. Although technically accessible by any member of the public via the World Wide Web, the link was not indexed by search engines. Therefore, for practical purposes the content could not be found unless one knew the exact link. The defendant posted this link in an article on its popular website, exposing it to the many daily visitors of the site. Does facilitating access or, in a practical sense, making content “discoverable” by the general public constitute a making available to a “new public”?<sup>38</sup> The CJEU held that linking to content posted without the authority of the copyright owner is a primary infringement of the communication right if the defendant knew or ought to have known that the content was posted without authority.<sup>39</sup> Furthermore, if the defendant is linking for profit, it is presumed that the defendant ought to have known of the illegality of the link.<sup>40</sup>

In short, the “new public” criterion gives rise to a multiplicity of issues in the EU, and further complicates the element of “the public”. Moreover, it shares similarities with the Australian concept of the “copyright owner’s public”.

## 4.2 The “Copyright Owner’s Public” in Australia

An explanation of “the public”<sup>41</sup> that has been accepted by the High Court of Australia in *Telstra v APRA*<sup>42</sup> is that of the “copyright owner’s public”, which entails asking ‘[i]s the audience one which the owner of the copyright could fairly consider a part of his [or her] public?’<sup>43</sup> In answering this question affirmatively, the court emphasised the commercial setting of an entity providing music-on-hold services, as such a performance would *ordinarily* be to the financial disadvantage of

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<sup>38</sup> Note that Advocate General Wathelet has taken *GS Media v Sanoma* as an opportunity to urge the CJEU to revisit its broad interpretation of the making available right in the context of linking, and argued that it should not be a making available to the public: ‘Opinion of Advocate General Wathelet - *GS Media BV v Sanoma Media Netherlands BV* (Case C-160/15)’ (7 April 2016) <<http://curia.europa.eu/juris/document/document.jsf?text=&docid=175626&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=4714>>.

<sup>39</sup> *GS Media BV v Sanoma Media Netherlands BV, Playboy Enterprises International Inc, Britt Geertruida Dekker* (Court of Justice of the European Communities, Case C 160/15, 8 September 2016) [49].

<sup>40</sup> *Ibid* [51]. It should be noted that the case was decided in the process of finalising this publication.

<sup>41</sup> It should be noted that the “the public” is not legislatively defined in Australia.

<sup>42</sup> (1997) 191 CLR 140. The case involved music-on-hold communicated to individual members of the public through their telephone sets. As this was a case brought before the Digital Agenda amendments which introduced the making available right, the Court considered ‘the public’ in the context of broadcast and diffusion rights.

<sup>43</sup> *Ibid* 155–56.

rightsholder, because the rightsholder is *entitled to expect payment* for the works performance.<sup>44</sup>

This formulation of “the public” has not been tested in linking cases because Australian precedent has established that linking is not an act of making available.<sup>45</sup> The concept of “the public” has however been considered in relation to the use of peer-to-peer file-sharing services. In the case of *Roadshow Films v iiNet*,<sup>46</sup> liability of the defendant ISP was alleged on the basis of secondary liability principles, i.e. for authorising the file-sharing activities of internet users utilising its internet services.<sup>47</sup> As a preliminary step, the plaintiffs had to prove primary infringement of the making available right by iiNet’s users.<sup>48</sup> The Australian Full Federal Court held that these individualised communications amongst private users were “to the public”. In response to iiNet’s arguments that these “non-commercial” activities were not “public” in nature, Emmett J explained that ‘[t]he relevant relationship is the potential commercial relationship between the owner of copyright and an infringer, not between infringers engaged in file sharing’.<sup>49</sup> His Honour found that the transmission of the rightsholders’ films via BitTorrent reduced potential commercial opportunities from legitimate online avenues such as iTunes, and deprived the rightsholders of revenues to which they would otherwise have been entitled.<sup>50</sup>

A major flaw of the “copyright owner’s public” is its circularity. It provides no meaningful definition except to say that a communication or transmission to *that* public is within the owner’s exclusive right.<sup>51</sup> Australian courts have attempted to refine the concept by emphasizing that it has to be *fairly* considered a part of the

<sup>44</sup> Ibid 156–157. Dawson and Gaudron JJ (Toohey and McHugh JJ concurring) held:

Lying behind the concept of the copyright owner’s public is recognition of the fact that where a work is performed in a commercial setting, the occasion is unlikely to be private or domestic and the audience is more appropriately to be seen as a section of the public. It is in a commercial setting that an unauthorised performance will ordinarily be to the financial disadvantage of the owner’s copyright in a work because it is in such a setting that the owner is entitled to expect payment for the work’s authorised performance ...

<sup>45</sup> *Universal Music Australia Pty Ltd v Cooper* (2005) 150 FCR 1.

<sup>46</sup> *Roadshow Films Pty Ltd v iiNet Ltd* (2011) 194 FCR 285.

<sup>47</sup> It should be noted that the secondary liability issue was appealed to High Court: *Roadshow Films Pty Ltd v iiNet Ltd* (No 2) [2012] HCA 16; (2012) 248 CLR 42.

<sup>48</sup> Note that iiNet also sought to rely on the “safe harbour” provisions, particularly s 116AH(1) which provides that a carriage service provider must adopt and reasonably implement a termination policy for ‘repeat infringers’. Therefore it was also necessary to determine whether there were numerous specific acts of infringement committed by users: *Roadshow Films Pty Ltd v iiNet Ltd* (2011) 194 FCR 285, 313 (per Emmett J).

<sup>49</sup> Ibid 324.

<sup>50</sup> Ibid. See also similar sentiments by Jagot J (finding BitTorrent users were clearly members of the film copyright owner’s public because ‘these are precisely the people from whom the appellants as the copyright owners otherwise would expect to receive payment for access to the appellants’ films’, and ‘[t]he avoidance of such payment by use of the BitTorrent protocol involves clear commercial deprivation to the appellants as copyright owners’, at 368) and Nicholas J (‘I think it is reasonable to infer that the transmissions were to the financial disadvantage of the copyright owner’, at 441).

<sup>51</sup> Weatherall (1999), pp. 398, 402.



copyright owner's public, by taking into account the character of the audience and any financial damage the copyright owner would suffer.<sup>52</sup> However, the application of this concept tends to highlight the commercial nature (if any) of the defendants' operations.<sup>53</sup> The decisions do not make clear how this "commercial use" consideration fits into the assessment. Furthermore, commercial use is not an express requirement for the exercise of a copyright owner's exclusive rights (or for the communication right) in the jurisdictions discussed.<sup>54</sup>

What is clear is that the element of "the public" is difficult to apply. Therefore, it is perhaps not surprising that in the Australian cloud-based time-shifting case of *NRL v OptusTV*,<sup>55</sup> the Full Federal Court resolved the case solely on the basis of the reproduction right and held that it was unnecessary to consider the making available right.<sup>56</sup> A different story may be found in the US, where a dispute regarding a similar service made its way to the Supreme Court on the basis of the public performance right.<sup>57</sup>

### 4.3 Similar "Commercial Objectives" in the US

In *ABC v Aereo*,<sup>58</sup> the defendant set up thousands of dime-sized antennas in order to provide a time-shifting/streaming service. Once a subscriber of the service selected a television program, the system would assign an antenna to the subscriber, and use

<sup>52</sup> Ibid, citing eg *Ernst Turner Electrical Instruments Ltd v Performing Right Society Ltd* [1943] 1 All ER 413.

<sup>53</sup> It should be noted that the CJEU in *TVCatchup* does recognise that 'a profit-making nature does not determine conclusively whether a retransmission, such as that at issue in the main proceedings, is to be categorised as a "communication" within the meaning of Article 3(1) of Directive 2001/29': *ITV et al v TVCatchup* (Court of Justice of the European Communities, Case C-607/11, 7 March 2013) [43]; cf *Società Consortile Fonografici (SCF) v Marco Del Corso* (Court of Justice of the European Communities, Case C-135/10, 15 March 2012).

<sup>54</sup> Cf Australian Government, Copyright Convergence Group, 'Highways to Change: Copyright in the New Communications Environment' (August 1994) 19 and 29 ('[The CCG] recommends that a provision be inserted into the Act which deems transmissions of copyright material which are made for a commercial purpose to be transmissions to the public.').

<sup>55</sup> (2012) 201 FCR 147.

<sup>56</sup> The Court held that '[o]ur conclusions on these two matters are sufficient to resolve these appeals. They must be allowed. It is, in consequence, unnecessary to consider the various alternative grounds of appeal the appellants have raised.' Ibid 152. This was despite the allegation being made precisely because the plaintiff held the 'exclusive licence to communicate to the public, by means of the internet and mobile telephony enabled devices, free to air television broadcasts of football matches conducted by them.' Ibid 151.

<sup>57</sup> The plaintiffs' request for a preliminary injunction was based solely on direct liability for exercise of the public performance right: *American Broadcasting Companies, Inc, et al., v Aereo, Inc*, 134 S. Ct. 2498 (2014), pp. 2514–2515. Note that the public performance right is one of the national exclusive rights purportedly giving effect to the making available right under the "umbrella solution" of the Internet Treaties: see US Department of Commerce, 'Copyright Policy, Creativity, and Innovation in the Digital Economy' (Green Paper, US Department of Commerce, July 2013) 15 <<http://www.uspto.gov/news/publications/copyrightgreenpaper.pdf>>.

<sup>58</sup> 134 S. Ct. 2498 (2014).

it to capture and relay the recorded program to the subscriber with a brief delay on their internet-enabled device (if the subscriber selected “watch” on the menu).<sup>59</sup> This seemingly inefficient technology was implemented to portray a system of private communications (amongst other reasons).<sup>60</sup>

Considering whether these transmissions were being made “publicly”,<sup>61</sup> the US Supreme Court was of the view that the ‘behind-the-scenes way in which Aereo delivers television programming to its viewers’ screens...does not significantly alter the viewing experience of Aereo’s subscribers’.<sup>62</sup> At one point, the court explains that the technology used ‘does not render Aereo’s commercial objective any different from that of cable companies’.<sup>63</sup> The court’s finding on both the act of performance and the public were heavily dependent on legislative changes implemented four decades ago to bring cable TV providers within the ambit of the public performance right.<sup>64</sup>

The court does not explain why a similarity in “commercial objectives” is relevant to the interpretation of a “performance”.<sup>65</sup> However, the consideration of a commercial characteristic or relationship is not unprecedented in the interpretation of the performance right. Another example is *On Command Video Corporation v*

<sup>59</sup>A subscriber could also save the program in a directory for later viewing by selecting “record”, but this function and the reproduction right were not under consideration.

<sup>60</sup>Note that Aereo devised this so-called “copyright-avoiding” business model to take advantage of the Second Circuit *Cablevision* ruling which held that private transmissions generated from the same copy of the work were not “to the public” because ‘the use of a unique copy may limit the potential audience of a transmission’: *Cartoon Network, LP v CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008), p. 136; see further Giblin and Ginsburg (2014). <<http://ssrn.com/abstract=2443595>>.

<sup>61</sup>§ 101 of the US Copyright Act of 1976 provides that performance or display of a work “publicly” means:

...to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) [i.e. a public place] or to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

<sup>62</sup>*American Broadcasting Companies, Inc. et al., v Aereo, Inc.*, 134 S. Ct. 2498 (2014), p. 2508.

<sup>63</sup>*Ibid.*

<sup>64</sup>*Ibid* 2511 and 2506. The Court emphasized that Congress’ primary purpose in amending the Copyright Act in 1976 was to overturn the Supreme Court’s holdings in *Fortnightly* and *Teleprompter* which held that a CATV provider was more like a viewer than a broadcaster, and therefore its actions fell outside the scope of the Copyright Act: see *Fortnightly Corp v United Artists Television, Inc.*, 392 U.S. 390 (1968); *Teleprompter Corp v Columbia Broadcasting Sys, Inc.*, 415 U.S. 394 (1974); H.R. Rep. No. 94-1476 (1976) (House Report on the Final Bill for the US Copyright Act 1976), pp. 86–87; *American Broadcasting Companies, Inc. et al., v Aereo, Inc.*, 134 S. Ct. 2498 (2014), pp. 2505–2507.

<sup>65</sup>The analogy with cable was criticised by Scalia J in dissent as a ‘guilt-by-resemblance’ test, with the majority implementing an ‘ad hoc rule for cable-system lookalikes’ without providing any criteria as to when it applies: *American Broadcasting Companies, Inc. et al., v Aereo, Inc.*, 134 S. Ct. 2498 (2014), pp. 2515 and 2516. Scalia J does not consider the element of the public as he concludes that Aereo did not ‘perform’, ‘for the sole and simple reason that it does not make the choice of content’: *ibid* 2514.

*Columbia Pictures Industries*.<sup>66</sup> In this case, hotel guests could remotely pick a video in their hotel room, and the defendant hotel would then play and transmit the video to the television set in the guest's hotel room. Once a video was selected, it would no longer be available for viewing by other guests.<sup>67</sup> The US District Court for the Northern District of California highlighted the commercial relationship between the transmitter of the performance and the audience to justify its finding that the transmission was “public”, but did not cite authority for this proposition.<sup>68</sup>

Note that in comparison to the Australian position, the emphasis on markets is not as prominent in US jurisprudence on the performance right—it is not applied as a core standard or test, but is a factor taken into consideration. Furthermore, the court in *On Command* considered the commercial relationship between the transmitter and the audience (in contrast to the rightsholder's relationship to or expectation regarding its audience, as in Australia and the EU). In *Aereo*, the formulation was again slightly different—the court referred to similar “commercial objectives” between the competing disseminators of content (i.e. Aereo and cable services). Therefore, a consistent approach to commerciality is not obvious in the US context. Nevertheless, the commercial relationship with users and similar commercial objective with other intermediaries are used to support a conclusion that “the public” element is satisfied because of a perceived negative impact on the rightsholders licensing market. In other words, we may find varying statements on commerciality, but its relevance to the end objective of protecting rightsholders' markets is still apparent.

## 5 The History: Judicial Interpretation of “the Public”

Disregard for copyright's dissemination function in interpretations of “the public” is not a recent development. The history shows that an expansive definition of “the public” arose prior to the introduction of Internet technologies. On the arguably more limited question of whether a performance is *in public*,<sup>69</sup> courts nevertheless considered matters extrinsic to the particular circumstances i.e. markets (or other potential markets that might go unlicensed as a result).

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<sup>66</sup> 777 F. Supp. 787 (N.D. Cal. 1991).

<sup>67</sup> Ibid 788.

<sup>68</sup> Ibid 790 (‘[T]he relationship between the transmitter of the performance, *On Command*, and the audience, hotel guests, is a commercial, “public” one regardless of where the viewing takes place.’).

<sup>69</sup> Note that the rights of authors to control the public staging of their works existed as early as 1791 in France (see Geller 2000, p. 226) while the UK and US recognized performance rights in dramatic works from 1833 and 1856 respectively: *Dramatic Literary Property Act 1833* (UK); *Dramatic Copyright Act 1856* (US).

## 5.1 Development of the “Copyright Owner’s Public”

Beginning with *Jennings v Stephens*,<sup>70</sup> we encounter the concept of “public” as applied to live, in-person performances. The case was brought before the UK Court of Appeal in 1936 on the basis of infringement of the public performance right in the *Copyright Act 1911* (UK). Here, the plaintiff’s play was performed by and for members of the Duston Women’s Institute, a branch of the National Federation of Women’s Institutes representing unions of all Women’s Institutes in England of Wales.<sup>71</sup> The objective of the Institute was to hold monthly meetings of a social or educational nature, particularly to encourage music, drama and dancing.<sup>72</sup>

On whether these were performances “to the public”, all three justices of the Court of Appeal focussed on the character of the audience. In this decision, Greene LJ established the concept of the “copyright owner’s public” that was adopted in subsequent Australian cases.<sup>73</sup> The appropriate way to determine who the relevant “public” is was explained as follows:

The question may therefore be usefully approached by inquiring whether or not the act complained of as an infringement would, if done by the owner of the copyright himself, have been an exercise by him of the statutory right conferred upon him. In other words, the expression “in public” must be considered in relation to the owner of the copyright. If the audience considered in relation to the owner of the copyright may properly be described as the owner’s “public” or part of his “public,” then in performing the work before that audience he would, in my opinion, be exercising the statutory right conferred upon him; and anyone who without his consent performed the work before that audience would be infringing his copyright.<sup>74</sup>

Both Lord Wright and Romer LJ, in deciding whether a performance “in public” had occurred in this instance, took into account the overall number of institutes in the country. Of concern to Lord Wright was that ‘the rights of owners of dramatic copyright in music or copyright in lectures all over the country will be seriously prejudiced; their plays will be liable to lose novelty, and the public demand for performance will be affected; the public appetite will be exhausted.’<sup>75</sup> Similarly, Romer LJ found that even though the annual subscription to the Institute at hand was very small, the question to be decided was ‘one of principle and one of great importance to lecturers, authors, and composers’ due to the large number of similar institutes.<sup>76</sup>

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<sup>70</sup> [1936] 1 All ER 409.

<sup>71</sup> Ibid 410.

<sup>72</sup> Ibid.

<sup>73</sup> *Telstra v APRA* (1997) 191 CLR 140. See also *Roadshow Films Pty Ltd v iiNet Ltd* (2011) 194 FCR 285, pp. 367–69, 440–41.

<sup>74</sup> Ibid 418–19.

<sup>75</sup> Ibid 415.

<sup>76</sup> Ibid 418. Romer LJ went on to explain that ‘there are about 5000 similar institutes in England and Wales with a total membership of something like 300,000. If performances given before these institutes are private performances, the result to the owner of the copyright in the works performed would be serious.’

Therefore, the court in *Jennings v Stephens* unanimously held that the conduct was an infringement of the plaintiff's public performance right. Although Greene LJ did not expressly consider the number of similar institutes in the UK that would go unlicensed in *Jennings v Stephens*, this point was raised in the subsequent joined decision of *Ernest Turner v Performing Right Society; Performing Right Society v Gillette Industries*.<sup>77</sup> In these disputes, the Performing Right Society alleged that the defendants had infringed their public performance rights by installing wireless receiving sets in their factory, along with a number of loudspeakers to diffuse the received broadcast music throughout the premises. The appeals were again unanimously decided in the copyright owners' favour.

Here Lord Greene MR observed that 'there are thousands of factories in the country, employing, no doubt, hundreds of thousands, indeed, millions, of work-people' and expressed concern that if these performances can be given without infringement, 'they can be given in every case'.<sup>78</sup> In this regard, Lord Greene stated:

It is perfectly true, of course, to say that two rights do not make a wrong; but for the purpose of discover the real nature of the audience and the effect on the monopoly of treating these performances as private performances, *it does seem to me to be relevant to consider what the result would be if performances of this kind were given in all the other factories in the country*. ... When you consider such a state of affairs throughout the country as a whole, if it be right to say that in all those cases the performance would not be in public, the effect would be to destroy to a large extent the value of the statutory monopoly by depriving the owner of the copyright of the exclusive right to sell his goods to the public. [emphasis added]<sup>79</sup>

As we have seen, these notions of markets (or licensable markets) continues today.<sup>80</sup>

## 5.2 An Explicit "For Profit" Requirement in the US

We find a similar emphasis on licensing markets in historical US jurisprudence on the public performance right. Under the 1909 US Copyright Act, the question of commerciality was an explicit condition for the exercise of the performance right in relation to musical compositions. In addition to being in public, a performance had to be "for profit". Note that this was a legislative qualification upon "the public"—an additional element or limitation that had to be satisfied by the rightsholder asserting infringement.

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<sup>77</sup> [1943] 1 All ER 413.

<sup>78</sup> Ibid 417.

<sup>79</sup> Ibid.

<sup>80</sup> The concept of the 'copyright owner's public' was adopted in Australia in the NSW Supreme Court decisions of *Australian Performing Right Association Ltd v Canterbury-Bankstown League Club Ltd* (1964) 5 FLR 415; *Rank Film Production Ltd v Dodds* [1983] 2 NSWLR 553; and as discussed above, applied by the High Court in *Telstra v APRA* (1997) 191 CLR 140.

The historical rationales for imposing the “for profit” limitation on the scope of copyright owners’ right included the *interest of the public* in performing music and making use of sheet music. Therefore, the “for profit” element was imposed to prevent its encroachment upon public access.<sup>81</sup> However, decisions interpreting this “for profit” element broadly, beginning with that of *Herbert v Shanley*,<sup>82</sup> eventually eroded the requirement and it was discarded altogether when the 1976 Act was enacted.<sup>83</sup> In *Herbert v Shanley*,<sup>84</sup> the question before the court was whether the performance of a musical work in a restaurant or hotel which did not charge for admission to the premises infringed the right to perform publicly for profit. Justice Holmes, writing for the court, found that ‘[i]f the rights under the copyright are infringed only by a performance where money is taken at the door they are very imperfectly protected.’<sup>85</sup> His Honour expressly highlighted the need for a broad interpretation in order to prevent the defendants’ ability to ‘compete with and even destroy the success of the monopoly the law intends the plaintiff to have’.<sup>86</sup>

Therefore, the only characteristic of the public taken into account here was their payment, while the public interest in having access to and enjoying music was largely ignored.<sup>87</sup> Rather than being seen as a limitation to protect the public, the “for profit” requirement was viewed solely as having the role of maintaining the owner’s *profit* channels—thereby prioritizing the copyright owner’s immediate market over and above protection of the public’s interest in access.<sup>88</sup> The element is

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<sup>81</sup> It should be noted that the interest was not purely in ‘public access’ but also maintaining the value of the market for sheet music. Arthur Steuart testified before Congress, stating ‘[t]he thing to be protected is the business of the music publishers and not to cut off the public from the enjoyment of music which can be received or enjoyed by any more in which it is publicly performed.’: Brylawski and Goldman (eds) (1976), p. 162; cited in Loren (2009), pp. 255, 262.

<sup>82</sup> 242 U.S. 591 (1917).

<sup>83</sup> H.R. Rep. No. 94-1476 (1976) (House Report on the Final Bill for the US Copyright Act 1976), pp. 62–63.

<sup>84</sup> 242 U.S. 591 (1917).

<sup>85</sup> Ibid 594. Cf Loren’s argument that the court should have acknowledged that ‘perhaps Congress meant to “imperfectly protect” this particular right of the copyright owner as a means of balancing the public’s interest in the enjoyment of music’: Loren (2009), p. 274.

<sup>86</sup> *Herbert v Shanley* 242 U.S. 591 (1917), p. 594 (‘Performances are not different in kind from those of the defendants could be given that might compete with and even destroy the success of the monopoly that the law intends the plaintiff to have. It is enough to say that there is no need to construe the statute so narrowly.’).

<sup>87</sup> Ibid 594–95. His Honour said: ‘The defendants’ performances are not eleemosynary [i.e. not supported by charity]. They are part of a total for which the public pays, and the fact that the price of the whole is attributed to a particular item which those present are expected to order, is not important.’

<sup>88</sup> Wu (2004), pp. 305–306. Professor Tim Wu’s view is that the opinion is ‘simple economics, but underlying it is a substantive view of the rights of the copyright holder’ which ‘saw copyright as a commercial property to an extent never reached before’. The drastic effect of Justice Holmes’ decision in reframing subsequent perspectives on the exclusive rights granted under copyright is explained by Wu as follows:

interpreted so broadly as to lose significance, and again, the justification for this broad view was the protection of the rightsholder's licensing markets.

## 6 Aligning “the Public” with Copyright’s Dissemination Function: Some Proposals for the Future

The historical cases reveal the assumptions that underlie recent decisions. Therefore, considering these cases in more detail and contextualising the principles derived from them provides us with a deeper understanding of why “the public” is conceptualised as it is today. While one may argue that the “*in public*” element is not the same as “*to the public*” in our contemporary communication right, the early decisions indicate that the spatial element of a performance in public was not determinative.<sup>89</sup> The main consideration was the characteristics of the audience, not their location. Therefore, it is not surprising that these concepts are still utilised today in assessing communications *to the public*.

On the other hand, it can be said that a performance *in public* inherently requires some level of “publicness”, however minute it may be. As a basic threshold, it may be asserted that a performance occurring in a clearly private or domestic setting is not in public. Therefore, the context of the performance nevertheless has a capacity to influence a court’s characterisation of the audience. In this sense, “*to the public*” is broader because the nature of the place where the communication is received is indeed irrelevant.<sup>90</sup> As a result, concepts which developed in a different context could have much more severe consequences on the development of new communications technologies today. Firstly, this market-centric conceptualisation is problematic if it only considers the copyright owners’ perspectives, because it *excludes disseminators* from the equation. This view ignores the dissemination function of copyright, and the entities that give effect to this dissemination function. Secondly,

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His view, now mainstream, presumed that the copyright owner should have the power to demand a license for every revenue stream dependent on the copyrighted work—even revenue from adaptations to other media, or revenue arising from improved restaurant atmospherics. This, this *Herbert* principle, has had a powerful impact on copyright’s theory and evolution.

Loren also highlights the importance of Justice Holmes’ final paragraph to the development of copyright law, having been cited by over 70 federal court decision and influencing copyright decisions overseas, and also accepted favourably in the scholarly literature that followed: Loren (2009), p. 274.

<sup>89</sup> For instance, Romer LJ in *Jennings v Stephens* cautioned that the nature of the place was not relevant, finding ‘some difficulty in seeing why it is material to consider the nature of and the place where the entertainment is given. A private entertainment may be given in a public room. A public entertainment may be given in a private house. The question whether an entertainment is given in public or in private depends, in my opinion, solely upon the character of the audience.’: *Jennings v Stephens* [1936] 1 All ER 409416.

<sup>90</sup> For a discussion of when and where a ‘making available’ occurs, see Christie and Dias (2005), p. 237.



this negative impact on copyright’s dissemination function is heightened if we take a *static view* of these markets. By focussing on the protection of pre-existing markets, we are blind to the impact of the law on evolving dissemination markets. Such a position does not take into account the possible “creative destruction”<sup>91</sup> of dissemination markets for copyright content. We may be limiting the development of new means of communication, and confining copyright owners to pre-existing revenue streams that make use of established technologies. Reduced revenue stream diversity harms smaller creators and producers because it leaves them with fewer monetization opportunities, and exposes them to exploitation by incumbent intermediaries.<sup>92</sup>

This expansive approach purports to preserve authorship incentives, but in the process fails to recognise its impact on the development of innovative communication technologies. If we continue to adhere to this approach, the element of “the public” (and as a result the making available right) is likely to be stretched beyond reason, as there is no principled understanding as to where those limits should lie. The making available right is increasingly important and relevant to our online activities, yet we have hardly moved beyond our pre-digital understanding of a key component of the right.

Returning to the question posed earlier in this chapter: is the element of “the public” still suitable for the making available right of today, and of the future? There are three options open to us:

1. Continue with the current formulation or approach;
2. Remove “the public” and replace it with a different requirement; or
3. Develop clearer principles that guide our interpretation of “the public”.

Having exposed the problems and the assumptions underlying the element, we know that “the public” as currently conceptualised does not operate as a meaningful limitation upon the making available right. The principles underlying its interpretation are flawed as they do not acknowledge role of “the public” in furthering and protecting copyright’s dissemination function. Therefore, continuing with the current formulation of “the public” and focusing solely on authorship incentives and current licensing markets is the least viable option. We are ignoring and potentially hindering copyright’s dissemination function, without any awareness as to the impacts of this approach.

Does this mean that the term “public” is not suitable as a limitation upon the communication right, particularly by making available *to* members of the public? Perhaps so. But until we explore possible alternatives and the principles that should inform these alternatives, we have but a vague idea of how the dissemination function of copyright could be positively nurtured. The distinction between public and private may be increasingly blurred as disseminators implement novel ways of mak-

<sup>91</sup> See Schumpeter (2013), pp. 82–83.

<sup>92</sup> As Professor Eric Priest explains, ‘[r]educed revenue stream diversity harms the creative ecosystem by diminishing monetization opportunities for smaller and independent producers, distorting market signals sent to producers, and disproportionately exposing producers to the idiosyncrasies of peculiar markets and exploitation by intermediaries’: Priest (2014), pp. 467, 471–472.

ing content available, yet the term “public” has not lost all utility in the meantime. The existing principles simply fail to take the dissemination function of copyright into account and need to be supplemented. Therefore, rather than eliminating it altogether and looking for another broad, ambiguous term, we may be better off incorporating new principles into our assessment of what is to “the public”. The development of new principles requires that courts interpreting the concept of “the public” be open to a dynamic view of dissemination markets, instead of focussing solely on authorship incentives and immediate licensing markets.

The resulting analysis should not default to an expansive conceptualisation of “the public” in order to protect the “copyright owner’s market”. It should be one that utilises “the public” as a limitation upon the making available right, firstly, to benefit the public gaining access, and secondly, for the longer term development and maturation of future copyright dissemination markets, for the benefit of authors and producers of content. In doing so, we are cultivating new communication technologies, and enabling the development of follow on advancements that satisfy this threshold of “the public” and require the copyright owner’s authorisation. Courts need to engage in this discussion with an understanding that the existing approaches are built upon an incomplete view of copyright’s functions. Through an iterative interpretation process informed by new principles, it is possible to come up with a formulation or element that better encompasses both copyright’s authorship function and dissemination function. Once courts, lawmakers and scholars realise the error of assuming that the core objective of “the public” is to protect the existing licensing markets of content creators, we can move forwards and find approaches to “the public” that better suit the information age.

## 7 Conclusion

“The public” is one of two elements in the right to communicate to the public by making available. It is the more established concept of the two, having been in existence since the introduction of public performance rights. Yet, it has not developed beyond formulations of the pre-digital era to account for the broad and ambiguous “act” of making available. The inherently vague public/private distinction appears to have driven courts to take the meaning of “the public” beyond its plain meaning to encompass the protection of licensing markets. Private communications have conventionally been understood to be beyond the ambit of copyright law. Nevertheless, the development of internet technologies will enable communications that have both public and private characteristics, further challenging the already tenuous line between the two.

What is clear is that the use of “public” as a proxy for the immediate licensing markets for copyright owners is no longer a viable way forward. As this chapter has shown, such an approach is short-sighted and disregards the dissemination function of copyright. The dissemination function of copyright not only promotes access to content by the public, but facilitates diverse means of communication and revenue

streams available to content creators and producers. Therefore, courts and lawmakers need to appreciate that copyright has an important role to play in regulating dynamic dissemination markets for the benefit of both creators and the public. A conceptual shift must take place—the dissemination function of copyright needs to be expressly considered in our development of the making available right.

This chapter has put forward three possible options, two of which represent change and an evolution towards greater respect for copyright’s dissemination function. In the immediate term, an appreciation of the principles raised here, and being open to exploring them further should lead us to refine the concept of “the public”. In deepening our understanding of “the public” and coming to terms with considerations not currently contemplated, we may be able to come up with a formulation more suitable for the future. This initial step is important, because without it there is no opportunity to refine the element of “the public” for the digital age.

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# Afterword

**John Gilchrist**

The world-wide need for access to information embodied in copyright material is commented on in the Preface to this work. Linked with this need are the limited legitimate uses of works embodied in national defences to infringement of copyright and the attempts by copyright owners to contractually circumvent those defences. It is a self-evident truth that access to this knowledge and information is of fundamental importance to the health and well-being of humanity.

There is also another and broader question in copyright law which concerns the relationship of existing works to the creation of new ones, which is important to human well-being.

We live in an era in which great emphasis is placed in the media and in our political ideology on the values of economic productivity and economic efficiency and the importance of that in a competitive world, nationally, corporately and individually. These economic imperatives are human values.

Maximising returns on labour, investment and capital is something which we are encouraged to aspire to. As a feature of our democratic and ostensibly egalitarian society we consider success and status often determined by wealth. What makes wealth good is that we attain material progress, making our life more comfortable and providing greater opportunities for a healthier and more enjoyable life. Wealth in our capitalistic society is manifest in the acquisition of property. The era we live in is reflected in an increased concern to protect property rights and to maximize returns on our investment in property.

Copyright is a form of personal property and is often expressed as a reward for creative endeavour. This property underpins the cultural industries—the literary, artistic, software, publishing, broadcasting, film, music, and recording industries.

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Our present era's overriding concern is with recognizing the rights of the copyright owner and promoting greater awareness of this form of property. The era is characterized by prominent warnings in all forms of media about infringement, and by an increasing number of criminal penalties enforced by the state for infringement. In essence, there is a preoccupation with *who owns what*.

What makes the era of '*copyright for whom*' repressive is the failure to address the long human tradition of following classical images and forms in creative works such as art, music, and architecture and the reuse of plots, ideas and themes from earlier works. JS Bach's *Christmas Oratorio* includes a level of recycling in that work (as there is with Handel's *Messiah*) which has been described as 'transformative imitation' and more loosely as 'parody music'. In following the links to that phrase there are more modern works listed which fall within that description. Most readers will be aware of the use of, and reliance upon, earlier works by Shakespeare at least one of which may have led to copyright litigation if it had occurred in this era. The use of, and reliance upon earlier works is relevant to the whole question of reuse (including mash-ups) but also to the way the human brain functions creatively.

Arthur Koestler (*The Act of Creation*) stated '*The creative act is not an act of creation in the sense of the Old Testament. It does not create something out of nothing; it uncovers, selects, re-shuffles, combines, synthesizes already existing facts, ideas, faculties, skills*'. We are inspired consciously and unconsciously by what we have seen and heard. There is a similarity in Bach and Handel's music (Baroque) though no one accuses them of copying from each other and they lived for most of their creative lives in different countries. We hear rap music which emanates from inner city Afro-American culture in the United States in the 1970s mimicked in other societies in which it is culturally alien. Similarly jazz which originated among Afro Americans in the United States in New Orleans has become a world-wide form of musical expression with many sub-forms.

The reliance upon themes and traditions is common in all cultures, and the fundamental question is when copyright should intervene to outlaw the degree of reliance.

The overriding question, it seems to this writer, is whether the derivative work demonstrates some creativity itself. The emphasis in law would be better placed on the substantial creativity in the derivative work and not on the original work. Liberating this creativity and freedom of expression from the threat of legal action under copyright law may promote cultural life and the conditions for human flourishing or well-being. These values are important to our existence as human beings and the society in which we live.